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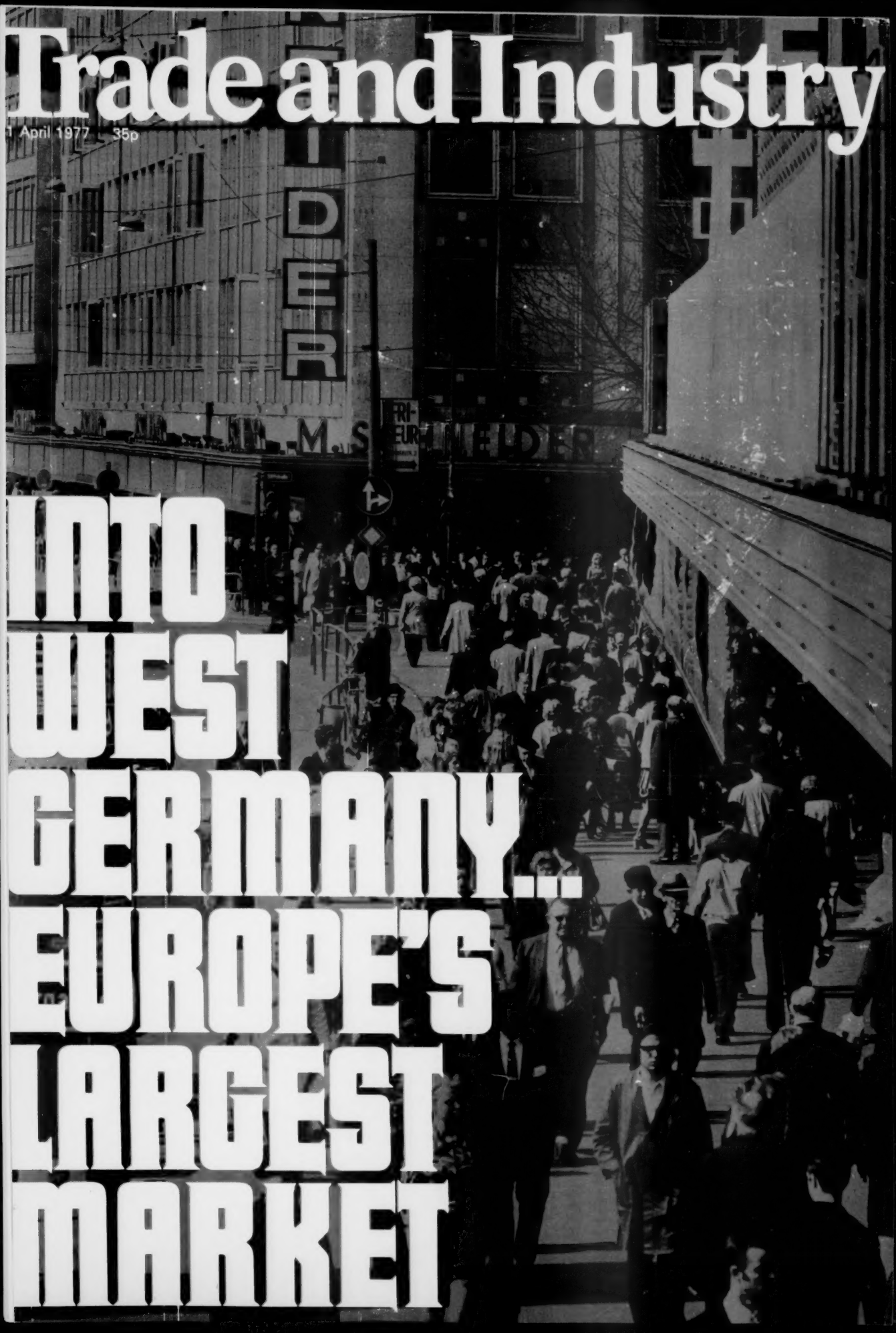

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Trade and Industry

1 April 1977

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Trade and Industry this week

HOME
Permanent powers under new price policies

Government has decided its involvement in price determination should be permanent, Roy Hattersley, Secretary of State for Prices and Consumer Protection, announced on Monday, 28 March.

Mr Hattersley – speaking at the European Management Forum in London – said he hoped to introduce a new prices bill before the House of Commons rose for the Easter recess.

The bill will propose a new form of price regulation, giving the government power to enforce certain price freezes for a year. But it will incorporate modifications to the consultative document published five weeks' ago.

Mr Hattersley emphasised that the policy covers virtually all prices with very few exceptions. Steel and coal are excluded because of obligations under the Treaty of Paris. All other nationalised industries will be liable to investigation – initiated by the Price Commission – in the same way as private enterprise.

'Economic factors rather than a statutory or administrative prices policy chiefly determine the inflation rate for the rest of this year and on into 1978. However there is an important place in an economy such as ours for government involvement in price determination. The government has decided that that place should be permanent.

'Before the House of Commons rises for the Easter recess, I hope to introduce a new prices bill. Its central feature will be a new form of price regulation. The Price Commission will be given power to investigate proposed price increases. During this investigation the price under review will be frozen. If the commission – measuring the proposal against criteria specified in the bill – judge the increase to be unreasonable, they will recommend that the initial freeze be extended. If that recommendation is accepted by the secretary of state, the freeze can extend to last for a year. That is a new power and I believe more practical, more flexible and therefore more effective than anything we have done before. It has both an immediate and longer term justification.

'Prices will, we all agree, be influenced by our success or failure in obtaining another wages round. Equally, our success in obtaining another wages round will be determined by our prices policy. By that I do not mean that we have to strike a crude bargain with the TUC – their influence on wage restraint in return for our supporting a prices freeze. But I do mean that wages policy can only succeed if it is accepted as both fair and necessary by working men and women.

'In a sensibly run and properly regulated economy (like Germany or Sweden) the government possesses powers to act against the unnecessary and the unjustified. I propose we should possess them here in the United Kingdon – not simply in times of high inflation but as one of the ways of permanently ensuring an added element of justice within the mixed economy.'

Changes after consultation

'Lest there is any doubt about the wish to achieve general agreement on what I have proposed let me list at once the changes we have accepted during the consultative period:

1 When I opened the discussions I saw some advantage in obliging the secretary of state of the day to initiate investigations into individual price increase. During the consultations there was virtually unanimous belief that the Price Commission itself should take this first step. I have accepted this suggestion.

2 Industry believed that the information we intended to require each notifying company

Main Budget changes

(*see also page 812*)

Strengthening of exchange control powers over raising of sterling finance by resident companies controlled by non-residents.

Temporary Employment Subsidy open for applications to end of 1977/78, and extension of duration of subsidy at a reduced rate for firms whose first 12 months lapse in 1977/78. Combined cost of £214 million over the next two years.

Four minor employment measures:
- subsidy of £30 a week for up to six weeks for employers taking on disabled people;
- programme to train extra teachers in mathematics and science;
- subsidy of £20 a week for six months for each additional worker taken on by small firms in special development areas, for experimental period of six months;
- Manpower Services Commission to consider possible scheme for helping long term unemployed back to work, for experimental period of six months.

£100 million of additional expenditure from contingency reserve for construction work in inner cities over next two years.

Petrol/derv duty increased by 5p a gallon.

Heavy oil duty raised by 1½p to 2½p but paraffin for domestic heating exempted from increase.

Vehicle excise duty increased.

Tobacco duty on cigarettes and hand-rolling tobacco increased.

VAT – no change in the rates.

Charities to be exempted from National Insurance Surcharge.

Corporation tax: rate unchanged; capital allowances and stock relief to continue.

Profit limit for preferential rate of corporation tax for small firms raised from £30,000 to £40,000; and limit for marginal relief raised from £50,000 to £65,000.

Stock relief to continue for 1978/79 as well as 1977/78.

Changes in taxation of capital gains:
- improved rollover relief for domestication;
- modification of rules on company takeover, amalgamations and reconstructions.

Two methods of tax avoidance to be stopped:
- artificial capital losses by shifting value from one asset to another;
- artificial schemes involving annuities.

Urgent consultations about possibility of legislating in Finance Bill to restrict unilateral relief for certain taxes paid by oil companies to governments of oil producing countries.

25 per cent of overseas earnings of UK residents working abroad for 30 days or more in a tax year to be exempted from tax.

Retirement annuities – ceilings for self-employed raised.

Personal tax allowances increased.

Investment income surcharge raised.

Basic rate band extended.

Other higher rate tax thresholds raised.

Reduction in basic rate of income tax from 35 per cent to 33 per cent when a satisfactory pay agreement is reached.

to provide to the Price Commission was unnecessarily complicated and would impose an unreasonable burden on many firms. We have agreed to reduce the information requirement substantially.

3 During an investigation into a price increase the old price can be frozen or an interim increase can be allowed. There was concern about the possible effect of this initial freeze on companies which after investigation are allowed to make the price increase for which they applied some months earlier. The bill will place a duty on the government to draw up "safeguards" against damage during the investigation. We are now consulting about the levels at which they should operate.

4 Industry forcibly argued that all the powers in the bill should expire after a specific period. That I was unwilling to accept. However, the power to apply margin control will not be indefinite. If this or a future government wants authority for permanent margin control, new legislation will be necessary.

'And there are three further points which I want to make absolutely clear.

'One, the policy covers virtually all prices, with very few exceptions. Steel and coal are excluded because of our obligations under the treaty of Paris. All other nationalised industries will be liable to investigation – initiated by the Price Commission – in just the same way as private enterprise.

'Two, in sectoral investigations the secretary of state will be able to regulate prices and charges within the Price Commission's recommendations. This could mean a freeze on price increases within a sector or even some reduction in existing prices.

'Three, in the field of distribution, the commission will be able to recommend a reduction in existing margins which may mean that prices are reduced.

'I believe the new price proposals to be both right and reasonable. From them the efficient, socially responsible company has nothing to fear. When I introduced the consultative document I emphasised my personal belief in the mixed economy, and my commitment to its successful continuation. But I also said that rules have to be laid down to ensure that it responds to the needs of the time – social as well as economic. The new prices bill will refine those rules. Anyone who reads and understands it and is prepared to make a calm and objective judgement about its contents will not find it damaging or oppressive. They will accept it as a contribution towards a stable and expanding economy' (*see also page 819*).

Views wanted on insolvency law

Interested parties are invited by the Insolvency Law Committee to submit their views on insolvency law.

The committee, under the chairmanship of Kenneth Cork, FCA, was appointed in October last year to review the law on insolvency, bankruptcy, liquidation and receivership, and to consider what reforms were necessary.

In addition it is examining the possibility of formulating a comprehensive insolvency system, and considering whether it might be appropriate in certain circumstances to introduce less formal procedures in bankruptcy and company winding-up proceedings.

This is the first major review of the whole field of insolvency for a century.

Evidence should be submitted by 30 June 1977 to the secretary of the committee, Cdr H. Traylor, Insolvency Law Review Committee, Room 404, 2-14 Bunhill Row, London EC1Y 8LL. Copies of the consultative letter outlining in more detail the subjects on which the committee would particularly welcome evidence on are also available from the secretary to the committee (tel. 01-606 4071 ext. 130).

Notes

The committee's terms of reference are: to review the law and practice relating to insolvency, bankruptcy, liquidation and receiverships in England and Wales and to consider what reforms are necessary or desirable; to examine the possibility of formulating a comprehensive insolvency system and the extent to which existing procedures might, with advantage, be harmonised and integrated; to suggest possible less formal procedures as alternatives to bankruptcy and company winding-up proceedings in appropriate circumstances; and to make recommendations.

The work of the committee is expected to take between two to three years.

EUROPE

Farm prices: ministers to meet again

Community agriculture ministers are to meet again in Luxembourg on 25 and 26 April in an endeavour to reach agreement on farm prices.

'The British delegation have fought hard for a settlement which would be fair to the housewife as well as to the farmer', John Silkin, Minister of Agriculture, Fisheries and Food, said after the final session of the agriculture council on 29 March.

'The final proposal included increases in common prices for milk and other products which would have been very difficult for us to accept. It also included a small devaluation in the green pound. I have always made clear that we would only be prepared to accept this in the package if there was adequate compensating action on food prices in the United Kingdom. We put forward proposals for a butter subsidy which would have achieved this and helped to dispose sensibly of part of the community's expensive butter surplus. The other member states were not prepared to agree to a butter subsidy which we could consider adequate. We are not, therefore, prepared to agree to the price increases which they seek for their farmers. Nonetheless, a good number of points were agreed and we may be able to build on these at the next meeting which will be on 25 and 26 April in Luxembourg.'

Portugal applies for EEC membership

In a short but historic ceremony on Monday, Sr De Siqueira Freire, Portugal's representative to the community, formally presented his country's applications for membership of the European communities.

Traditionally three separate letters of application must be lodged in order to join the European Economic Community, the European Atomic Energy Community (Euratom) and the European Iron and Steel Community (ECSC). These were received by Sir Donald Maitland, president of Coreper, on behalf of the current president of the council of the EEC, Dr David Owen, at the council's offices in Brussels.

The application will be discussed by foreign ministers at the next meeting of the council on 5 April.

VAT draft approved

On Budget Day the Chancellor announced his intention to propose amendments to the law relating to value added tax. These amendments in particular will enable the United Kingdom to comply with obligations resulting from directives of the European Economic Community.

Following a meeting of the council of ministers on 22 March, a common position has now been reached in the council on the proposed sixth directive on VAT. The directive, which remains subject to confirmation by the European parliament, is designed to harmonise the basis of assessment of VAT (ie its scope, method of operation and exemptions). If the directive is agreed to by the European parliament it is intended to include appropriate legislation in the Finance Bill. Implementation of the directive in the member states would enable the new system of community financing to be brought into effect. Under this system, which it is hoped to operate from 1 January 1978, part of the contribution from member states to the community budget would be measured by reference to the hypothetical yield of a prescribed rate of VAT applied to a harmonised VAT base. This part contribution would replace that previously calculated by reference to the GNP base.

HM Customs and Excise say that the amendments that would be required in UK legislation would not entail any major change in the structure of the tax and would be mainly technical in nature. Their effect on the revenue from VAT would be negligible.

Home news

The 1977 Budget

Two key aims were stressed by Denis Healey, Chancellor of the Exchequer in his speech presenting the budget on 29 March. They were to continue to bring down inflation towards the level of our main competitors and to improving the performance of manufacturing industry. 'This budget builds on the success of the December measures and moves us further towards recovery,' said the chancellor but he warned that there were constraints on the achievement of the two aims: 'The scope for such measures is governed by the need to maintain the financial stability we have now achieved and to get rid of the deficit on our current balance of payments. It is still too soon to take risks in either of these fields.'

Economic background

The chancellor opened his review of the economic background to the budget with a look at the world economy. He said that the industrialised countries as a whole achieved a relatively rapid recovery in output and trade at the beginning of 1976 though this fell off through the rest of the year. There was hope now of a 5 per cent growth of national economies in major countries and a rise of 8 per cent in world trade in manufactures.

The Opec countries were expected to be able to expand their imports 15 per cent and so boost world trade in 1977.

'In the non-oil developing countries however,' said Mr Healey, 'growth will remain constrained by shortage of foreign exchange. Many of them improved their position last year, as the price of primary commodities rose relative to manufactures, and this may continue to some extent in 1977. Nevertheless, their imports are likely to be held back by financing problems and the need to rebuild their reserves.'

The most disturbing feature of the world economy, Mr Healey said, was that every major industrial company had unemployment problems. International action would be needed to lower unemployment – by domestic expansion in the strong economies.

In the home economy production had made a modest recovery from the recession of 1975, but the economy was still working well below its productive capacity; industrial investment was rising but was still too low, and there was still a substantial current account deficit on the balance of payments to be eliminated.

'If we were to make no change whatever in present policies,' said Mr Healey, 'I would see the prospects as follows. Production would grow only slightly in the next 12 months. The main increases in demand are likely to be in net exports and manufacturing investment – the sectors which we want to lead the recovery of the economy. From other sectors, however, little or no stimulus is to be expected. Public expenditure on goods and services will be rather lower than last year. And, on present policies, I would expect no increase in private consumption. Indeed, there might be some decline.

'Taken together, these trends could be expected to mean that demand and production would continue to grow slowly. But with so modest a recovery in output I would not expect any fall in the level of unemployment.' A satisfactory pay agreement was essential for a decline in rate of inflation and for maintaining confidence in UK economy. Price control was preventing unreasonable profit mark-up but must not be allowed to damage the rate of return on investment.

'The balance of payments prospect is now a good deal better,' he said. 'During the next 12 months we can confidently expect a large

Foreign earnings

Proposals for important changes in the tax treatment of employees living in the UK and working abroad are described in a statement on Budget Day by the Board of Inland Revenue.

At present a deduction is allowed in taxing the overseas earnings of an employee resident in the United Kingdom, only if the earnings are from a separate employment the duties of which are wholly performed abroad. The deduction allowed is 100 per cent if the employee is absent from the United Kingdom for a continuous period of 365 days or more, and 25 per cent if he is absent for a lesser period.

From 1977-78 the requirement that there should be a separate employment for overseas duties will (with one exception – see below) cease to apply, so that a person may qualify for the deduction, whether the overseas duties are performed under a separate employment or as part of the duties of an employment which are also carried out in the United Kingdom.

An employee who works abroad for a continuous period of 365 days or more will be entitled to a deduction of 100 per cent from his overseas earnings (so that they will be exempt from United Kingdom tax).

An employee who works abroad for a total of 30 days or more in a tax year, whether continuously or in aggregate, will be entitled to a deduction of 25 per cent from the earnings for the duties performed overseas.

An employee with a separate employment with a foreign company, the duties of which are performed wholly abroad (for example, a director of an overseas company in a multi-national group) will be entitled to a deduction of 25 per cent from his earnings from that employment, regardless of the length of his absence abroad.

Seafarers and aircrew

At present seafarers and aircrew employed on voyages or journeys between the United Kingdom and a foreign port or airport are regarded for tax purposes as carrying out their duties in the United Kingdom and so cannot claim a deduction from foreign earnings. From 1977-78 they will be regarded, for the purpose of entitlement to the deductions, as working abroad while they are engaged on such voyages or journeys.

Expenses

At present employees engaged under a separate employment, the duties of which are performed wholly outside the UK, are not entitled to relief in respect of expenses incurred in travelling to the overseas country and back again, or in obtaining board and lodging there. From 1977-78, they will be able to claim relief in respect of such expenses in the same way as if their employment were normally carried out in the UK.

From 1977-78, where an employee is working abroad for a period of at least two months, the reimbursement by an employer of the expenses incurred by his or her spouse and children in travelling to the country where the employee is working and back again, whether in his or her company or separately, will be tax free, up to a maximum of two return journeys a year.

PAYE

So far as possible, the deductions will be taken into account for PAYE. When the Finance Bill has received Royal Assent employers will be authorised to give the relief with effect from the beginning of the tax year.

increase in the flow of North Sea oil, and an increase in visible and invisible exports, all of which will substantially improve the balance of payments. Our current account deficit, which has been running at an annual rate of a little over £1½ billion in the last six months, should be progressively eliminated and we have good prospects of a healthy surplus in 1978.'

Stable exchange markets had been achieved and must be maintained. Provided we could secure and maintain a balance of payments surplus, the chancellor looked forward to beginning to repay overseas debt. Domestic credit expansion and the public sector borrowing requirement were likely to stay well within the figures given in the Letter of Intent to the IMF. The growth of sterling M3 in 1976/77 was expected to be at the bottom of the 9 to 13 per cent range.

The chancellor continued: 'The forecast for 1977/78 takes account of the intention, which I announced in December, to sell an amount of BP stock which will leave the total of the government's and the bank's holdings at 51 per cent – more than we held before the bank acquired the ex-Burmah shares. This sale will go ahead in 1977/78, and in framing my budget proposals I have made full use of the room for manoeuvre which it will give me.'

Medium-term economic aims

Turning to our medium term prospects, the chancellor said that our trading performance must aim not merely to eliminate the balance of payments deficit but to earn *substantial* surpluses (making us less vulnerable to external events).

This should be achieved in conditions of full employment and through a better trading performance in non-oil trade – we could not rely on North Sea oil to do the whole job for us.

'The necessary improvement in our trading performance depends in turn on a second improvement in our economic behaviour,' he said. 'We must bring down our rate of inflation to that of our principal trading rivals and keep it at that level.'

This would mean another round of pay policy to stop the vicious circle – excessive pay increases stimulating exchange rate falls inspiring new pay claims to make good.

'I believe this time we can make a decisive break in the vicious circle and indeed turn it into a virtuous one,' Mr Healey declared.

A more stable exchange rate would mean less rise in the Retail Price Index and in turn a better chance of another round of pay policy (with help of tax cuts) and so would lower prices at home and abroad. The value of the pound would be sustained externally and internally.

We needed also to improve non-price competitiveness and to add to our share of home and foreign markets. 'If our industrial performance fails to improve, our balance of payments will deteriorate, and then we should be faced with a choice between a deflation which throws men and women out of work, or a depreciation which raises prices.'

An adjustment was needed in world economy and the government was having talks with other leading free world countries and our EEC partners on how to improve the prospects of all.

Fiscal action

Both the TUC and the CBI had argued the need for substantial reductions in income tax both to make it easier to agree on a satisfactory pay policy and to assist our industrial strategy. The sector working parties had reinforced these arguments by pressing for improvements in the structure of income tax to increase incentives at all levels of industry.

There was a need to maintain firm control but there was scope for a carefully controlled stimulus to domestic demand. He proposed two instalments of fiscal measures: a combined effect net reduction in revenue of £1.5 billion in a full year and to bring the PSBR for 1977/78 to a new forecast level of some £8.5 billion (this is within the £8.7 billion ceiling recommended by the IMF).

Monetary policy

The control of monetary aggregates would remain: the DCE ceiling of £7.7 billion and the M3 sterling growth estimated at 9 to 13 per cent in 1977-78. Existing credit controls would stay in force.

'I am satisfied that on present trends these controls will allow sufficient room for industry's essential needs,' said the chancellor. 'The government continue to regard the provision of adequate finance to industry as a key part of industrial strategy and I welcome the priority which the Wilson Committee on the functioning of the Financial Institutions is giving to it.'

Measures to help employment

Firm control of public spending under cash limits would continue: a white paper giving figures for 1977/78 public spending was being presented that day.

Employment measures announced by the chancellor included the extension of training and job creation measures announced on 3 March. The period in which firms can apply for the Temporary Employment Subsidy was due to end next month: it will now be extended through the whole of 1977/78, plus an extension of entitlement from 12 to 18 months, at £10 per week instead of £20 for last six months.

'In addition, the government proposes four minor but important new schemes,' said Mr Healey. 'First, there will be a selective job introduction scheme to provide an incentive for employers to engage disabled people by providing £30 a week per person for a trial period of up to six weeks. Second, there will be a special programme to train extra teachers in mathematics and science. Third, there will be an experimental scheme for six months from 1 July applying only to manufacturing in special development areas employing fewer than 50 workers. They will be given a weekly subsidy of £20 for six months for each additional worker taken on. Fourth, we are discussing with the Manpower Services Commission the possibility of introducing a selective scheme for an experimental period of six months to help the long term unemployed, who face problems of particular difficulty.'

New allocations of £100 million would be made over the next two years for construction work in inner city areas. The Environment Secretary and the Secretary of State for Scotland would announce more details.

Increases in excise duties – Price Code

Increases in the excise duties on tobacco, road fuel, and other hydrocarbon oils should not be applied to goods which are already in stock and which did not bear the higher rates of duty, according to a statement issued by the Department of Prices and Consumer Protection on Budget Day. The provisions of the Price Code ensure that price increases which result from increases in indirect taxes are limited to the cash amount of the increase.

Distributors need not apply the precise amount of any change in indirect taxation to the goods bearing the tax – primarily because the smallest coin is ½p. But the average change, allowing for the pattern of sales, must reflect the overall amount of the change.

Category I and II firms, normally required to pre-notify any price increase to the Price Commission, need not pre-notify price increases which reflect solely the cash value of indirect tax increases.

Indirect taxes

There would be no increase in VAT or duties on beer, wine, spirits and pipe tobacco. The changes proposed would make contributions in the fields of energy saving, environment and transport policies, the chancellor said.

He announced:

road fuel duty up 5p a gallon (restoring to real value the level immediately after the last Budget);

heavy oil duty up 1½p a gallon. Paraffin (used for domestic heating) will stay at the present 1p rate.

All oil duties became effective on 29 March.

The Chancellor also announced:

vehicle excise duty on private cars and lighter commercial vehicles up 25 per cent to £50 from 30 March 1977. Proportionate increases on commercial vehicles up to 4 tons;

vehicle excise duty on heavier lorries up from 30 March 1977.

The only other indirect tax increase was justified on health grounds: an increase in tax on cigarettes.

The combined effect of all these indirect tax changes would mean 1 per cent on RPI in the fourth quarter 1977.

Direct taxes

There will be no change in corporation tax rates, the chancellor announced. The profit level by which small companies are defined for the purpose of the preferential rate of corporation tax will go up from £30,000 to £40,000. The limit for marginal relief will be increased from £50,000 to £65,000.

Stock relief provisions will continue for the next two financial years (1977-78 and 1978-79). This will give time for further consideration of how to apply principles of current cost accounting (CCA) in a permanent scheme.

Improvements in capital gains tax were announced: improved 'rollover' relief for transfer of an overseas branch to a separate non-resident company; modification of rules applying to company take-overs, amalgamations and reconstructions; and measures to prevent tax avoidance through certain artificial capital losses.

Mr Healey also announced new rules against certain tax dodging schemes involving annuities. Consultations will start with oil companies to restrict tax reliefs for taxes they pay to oil producer countries.

'I said last December that I believed it important to find ways of improving the tax treatment of employees living in this country and working abroad, particularly those at the sharp end of exporting,' said Mr Healey. 'The Inland Revenue issued a consultative document with proposals for changes. In the light of many representations and discussions, I am putting forward some changes in the original proposals designed mainly to benefit those who work abroad for relatively short periods at a time. I now propose that any employee who works abroad for a total of 30 days or more in a tax year should qualify for the tax relief, whether or not the 30 days are continuous. This means that he will pay no tax on 25 per cent of his earnings from work overseas. And those who have separate employments with overseas companies requiring them to carry out all their duties abroad will also qualify for the reduction, regardless of the length of their absence abroad.' (*see page 812*)

The normal limits to the amount of premium on which self employed can claim relief is raised from £2,250 to £3,000.

Pay and income tax

Reductions in income tax and their relevance for pay policy were 'the heart of my budget' said Mr Healey. He announced reliefs giving priority to economic performance and greatest hardships – amounting to £2¼ billion in a full year – assuming a pay agreement consistent with the inflation objective.

Income tax thresholds are going up by adjustment of personal allowances. There will be no new reduced rate band for income tax this year.

Mr Healey also announced higher thresholds for investment income and for those paying the higher rate of income tax.

Mr Healey said: 'It is difficult to exaggerate the advantages of a satisfactory pay agreement which makes it possible for me to proceeed with the full income tax package of £2¼ billion . . . I know it will demand a high degree of discipline from working people and their trade union representatives. I appreciate too the heavy burden of responsibility it places on the TUC and would like to acknowledge again the way in which they have shouldered that responsibility in their own and the nation's interest over the past two years. But the prize is even greater than the burden. We cannot afford at this of all moments, when the rewards of our sacrifices are within our grasp, to throw away what we have gained in those two years.'

Cash limits 1977-78

Cash limits for the coming financial year, 1977-78, were published on Budget Day, in a white paper 'Cash Limits 1977-78' (Cmnd 6767).

Last year the government introduced cash limits applying to an extensive range of public sector expenditure 'Cash Limits on Public Expenditure', Cmnd 6440, April 1976. These have made a useful contribution to improving financial control, and the government intend to apply cash limits on similar lines to expenditure in the financial year 1977-78.

Some changes have been made to the coverage of cash limits: new housing investment and slum clearance, and expenditure on the community land scheme have been included for the first time; and cash limits on the borrowing requirements of the Regional Water Authorities and the Welsh National Water Development Authority are also included in this white paper. Certain expenses of the Bank of England, in connection with financial management have been included for the first time. The cash limit on assistance to shipbuilding has been replaced by a new form of control ceiling.

Metrication: measurement of alcoholic strength

A resolution introduced in parliament on 29 March makes provision for the Treasury to be enabled to make orders replacing existing units in Customs and Excise law by metric units. This would pave the way for customs to co-operate with the revenue duty industries when they are ready to adopt the metric system.

The Treasury would also be enabled to introduce by order at the appropriate time a system of expressing spirit strength as the percentage of alcohol by volume. This would replace the proof system and provide a more precise and internationally accepted method of measuring the strength of spirits.

No such orders may have the effect of altering significantly the incidence of any duty.

Capital taxation and the national heritage

Guidance on capital taxation and the national heritage is available in a new memorandum prepared by the Treasury. Joel Barnett, Chief Secretary to the Treasury, announced in parliament on 24 March that the new memorandum outlines the scope of the present legislation on capital taxation in its effect on the national heritage and gives guidance on the administration of its provisions.

The memorandum replaces an earlier version, issued in October 1973, before the introduction of capital transfer tax (CTT). Further information about the eligibility for exemption or for acceptance in lieu of CTT of any particular property should be addressed initially to the Capital Taxes Offices in London, Edinburgh or Belfast. Copies of the memorandum can be obtained from Mrs A. Murray, Room 16/2 H. M. Treasury, Parliament Street, London SW1P 3AG.

Life-saving appliances on offshore installations

Draft regulations* requiring the provision and examination of life-saving appliances on offshore installations on the UK continental shelf, laid before Parliament on 24 March, will come into force on 1 June.

Tony Benn, Secretary of State for Energy, said in answer to a parliamentary question that the Offshore Installations (Life-Saving Appliances) Regulations 1977 will require the provision on offshore installations on the UK continental shelf of certain life-saving appliances, including survival craft, lifebuoys and life jackets; of alarm and public address systems and of plans of life-saving appliances.

'The required appliances and plans have to be examined before 1 June 1978 or the installation concerned may not be manned,' he said. 'Thereafter the requirement is for a biennial examination. The regulations also lay duties and obligations on licensees, owners and managers to ensure that the provisions of the regulations are observed.

'The examination of life-saving appliances and plans will require the exercise of specialist expertise which is concentrated in the Secretary of State for Trade's department. With his agreement, therefore, I have authorised Department of Trade marine surveyors to conduct examinations and issue certificates on my behalf.

'This does not disturb the arrangements described in the Prime Minister's statement of 30 July 1976 under which responsibility for inspecting offshore installations rests with my petroleum engineering division which will accordingly enforce the new regulations.'

* The Offshore Installations (Life Saving Appliances) Regulations 1977. (Statutory Instrument No. 486/1977). Available from HMSO and government bookshops, price 25p.

Industrial director for Offshore Supplies Office

Norman Smith, business development manager in the corporate finance department of Baring Brothers, is to take up a newly created post of industrial director in the Department of Energy's Offshore Supplies Office on 4 April. He will be on secondment from Barings for two years.

Record tourist levels

During October 1976, 701,000 foreign visitors arrived in the United Kingdom, according to figures released by the Department of Trade and the British Tourist Authority. This is a record for the month of October, and an increase of 30 per cent over October 1975.

Total arrivals for the first 10 months of 1976 were also the highest ever at 7,267,000, compared with 6,174,000 for the first 10 months of 1975 – an increase of 18 per cent.

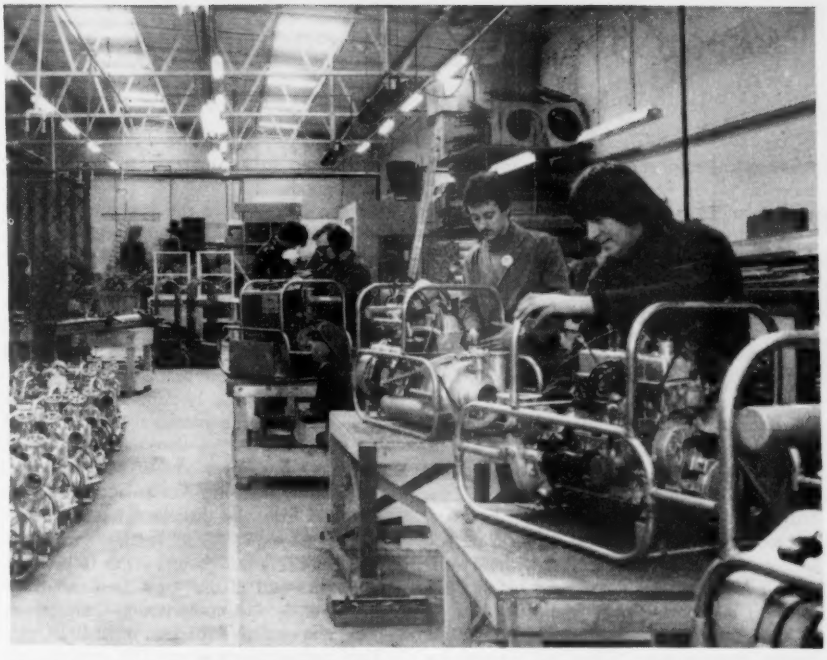
The figures include all travellers from the EEC countries, except visitors from the Irish Republic. Commonwealth citizens are excluded.

Arrivals from the EEC countries in October were 367,000, an increase of 32 per cent on the figures for October 1975. Except for Italy (up 3 per cent), all of the EEC countries showed increases of over 30 per cent (France up 33 per cent, Denmark and Germany up 34 per cent, Netherlands and Belgium/Luxembourg up 39 per cent).

Arrivals from the EEC countries for the first 10 months of the year at 3,928,000 were 17 per cent up on the same period in 1975.

Visitors from the rest of Western Europe increased by 50 per cent during October. A total 128,000 visitors arrived compared with 85,000 in the corresponding month in 1975. The largest increase was in visitors from Norway, up by 84 per cent, and Spain, up by 75 per cent. Other large increases were Switzerland (up 48 per cent) and Sweden (up 49 per cent). The smallest increases were from Portugal and Turkey (16 per cent and 19 per cent respectively). During the first 10 months of the year visitors from the rest of Western Europe increased by 23 per cent compared with the same period for 1975.

Visitors from the rest of the world increased by 18 per cent in October. The increase for the first 10 months of the year was 16 per cent. Visitors from the United States continued to increase. In October they were 26 per cent higher than the corresponding month in 1975, and for the first 10 months of the year 21 per cent higher than in the same period for 1975. Visitors from Japan, however, continued to decline with 15 per cent less visitors in October 1976 than in October 1975, and 3 per cent less for the first 10 months of the year.



Part of the new Angus Fire Armour Factory which has been opened on the Lune Industrial Estate, Lancaster, primarily for the manufacture of fire extinguishers. The 5,110m² warehouse and factory complex is now on stream and has brought over 80 jobs to this area of the north-west. Angus Fire Armour is a member of the Dunlop group and the new factory is part of a multi-million investment programme undertaken by the company. Over 80 per cent of the Lancaster production will be aimed at the export market. Last year Angus received the Queen's Award to Industry for Export Achievement.

'Better understanding of industry' essential

'It is essential that young people should have a better understanding of the role of industry in society,' Leslie Huckfield, Parliamentary Under-Secretary of State at the Department of Industry, said at a 'Challenge of Industry' conference run by the Industrial Society on 28 March.

'Industry is vital,' said Mr Huckfield, 'not only as the provider of goods that people need, but as the creator of much of our national wealth from which our social services are provided, future investment resources created and employment opportunities generated. I should like to see everyone appreciating this essential function of industry in our society whether or not they work in industry.

'Our standard of living depends heavily on the success of our industries and we should all understand why it is vital to create the conditions in which they can work most effectively. The government is committed to giving manufacturing industry priority in our physical and financial resources. It is also essential to get people giving of their very best. We must work hard at this.'

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Prospects for mechanical engineering

Mechanical engineering statistics indicate an increase in net new orders over the first 11 months of 1976, with the main contribution coming from exports, according to the Short Term Trends Working Party of the Mechanical Engineering EDC in its latest report*.

The report forecasts a further rise in new orders through 1977 with an overall increase of some 10-15 per cent over 1976 levels. The working party point out that forecasts for 1978 are inevitably speculative at this stage, but on the basis of past experience orders might be expected to peak during 1978 with an overall increase of 5 to 10 per cent above 1977, although any measures to stimulate the economy could make this an under-estimate.

Production in mechanical engineering was still very depressed in December with an overall fall in 1976 of 4.4 per cent below 1975 levels. The working party expect output to pick up from the beginning of 1977 with a modest increase over 1976 of 1-2 per cent for the year as a whole. A further rise of 4-6 per cent is expected in 1978.

In the OECD countries growth faltered in the second quarter of 1976, but further expansion is expected in 1977 with the main impetus coming from the USA and Japan, and leading to an increase in demand for capital goods.

In the UK despite the prospects of only slow growth in 1977, continuing anxieties about future profit levels (affecting the viability of new investment) and about inflation (which could pre-empt funds to finance increased working capital requirements) an increase in investment is expected in 1977 and 1978, particularly from manufacturing industry. This is partly a backlog of investment deferred during the recession and financial crisis of 1974, and partly a consequence of government measures to encourage investment (mainly Industry Act assistance).

Demand from the distribution and service industries is expected to remain fairly depressed in 1977, but should begin to pick up towards the end of the year. Demand from most parts of the construction industry is expected to remain depressed until 1978.

The competitiveness of UK exports of mechanical engineering products improved during the second and third quarters of 1976 as a result of the major depreciations of sterling. The subsequent appreciation of sterling since November combined with the continuing higher rate of UK inflation however is likely to have had an adverse effect on the industry's future price competitiveness and the profitability of exports.

* Mechanical Engineering Short Term Trends summary – free from Neddy Books, 1 Steel House, 11 Tothill Street, London SW1 9LJ.

HS146 project extension announced

Additional funding of up to £1 million for an extension of the existing programme of work on the HS146 aircraft project was announced on 23 March by Gerald Kaufman, Minister of State for Industry.

Answering a written parliamentary question from Mrs Helene Hayman (Welwyn and Hatfield) he said:

'The government have agreed to an extension of the current holding programme in order to give British Aerospace time to decide whether to recommend proceeding with the project from the resources available to it. Subject to agreement by Hawker Siddeley Aviation on extension of the present arrangements, the additional funding of up to £1 million, which should continue the current HS146 work until September, will be the responsibility of British Aerospace on vesting day and will therefore be met from within the funds of the new Corporation.'

This further holding programme is necessary so that British Aerospace can carry out as an early task a fundamental review of the HS146 project and make recommendations on launch.

The government has so far spent or committed £11.3 million on the project, including underwriting of the current £3½ million continuing development programme announced on 30 July 1976.

Industry Act assistance: interest rates reduced

The maximum rate of Interest Relief Grant and interest rates for loans under section 7 of the Industry Act 1972 have been reduced with effect from 28 March.

The rate of Interest Relief Grant available in those cases where it would be appropriate to allow the equivalent of an interest free period on a Department of Industry loan – but where firms obtain their finance from other sources – has been reduced from 14 per cent to 13½ per cent for each interest free year.

The 'concessionary' rate of interest on loans for employment-creating projects (category A) is reduced from 11 per cent to 10½ per cent. The 'broadly commercial' rate of interest on loans for modernisation projects not providing additional employment (category B) is reduced from 14 per cent to 13½ per cent.

Protection of Wrecks Act 1973
Protection of Site of Historic Wreck

Area in the South Edinburgh Channel, Thames Estuary, to be designated as a Restricted Area

The Secretary of State for Trade proposes to make an Order under the Protection of Wrecks Act 1973 designating as a restricted area all within 100m of the site in the South Edinburgh Channel, Thames Estuary, where a vessel lies wrecked on the seabed at latitude 51° 31′ 44″ N, longitude 01° 14′ 53″E.

After the Order is made and comes into effect it will be an offence within this area to interfere with the wreck or to carry out diving or salvage operations without the authority of a licence granted by the Secretary of State.

If any person or body wishes to make representations about the proposal to make this Order they should write to the Department of Trade, Marine Division, Branch 1C, 90/93 High Holborn, London WC1V 6LP by 22 April 1977.

Occupier for government factory at Hull

Hopkinsons Ltd has occupied a 1,350m² (15,000 sq ft) advance factory built by the English Industrial Estates Corporation on the Sutton Fields Industrial Estate, Hull.

Hopkinsons manufactures valves, actuators, boiler mountings and associated engineering products and supplies high pressure valves to the electricity, steel, gas and process industries.

An additional 27 jobs are expected to be created as production is built up over the next three years.

Official appointments

Eric Varley, Secretary of State for Industry has made the following appointments:

Design Council Professor Joseph Black, head of the School of Engineering, Bath University and Sir Arthur Bryan, chairman, Josiah Wedgwood and Sons Ltd to be members of the council.

Industrial Development Advisory Board

In the notice published on page 751 of last week's *Trade and Industry* Sir Kenneth Bond's name was inadvertently omitted from the list of members of the Industrial Development Advisory Board.

Timetable for the Companies Act 1976

The Companies Act 1976 is being implemented by a series of statutory instruments this year (see table), and, although a few provisions are already in force, many more are coming into operation on 18 April. The act contains provisions which will affect companies and directors, as well as, among others, auditors, accountants, shareholders and all those with interests in shares. The purpose of this article is to spell out in more detail what the act will actually mean. It is not of course possible in an article of this kind to give a complete exposition of the provisions of the act, many of which are necessarily complicated, and this article should therefore be treated as being a guide to the meaning and effect of the more important provisions.

Filing of accounts (Sections 1 to 11)

Under the Companies Act 1948, companies are required to file accounts laid during the period covered by their annual return as an annex to it. The annual return has to be completed within 42 days of the annual general meeting and delivered forthwith to the Registrar of Companies. This system has not worked well. Large numbers of companies are late filing their accounts and the registrar has difficulty pursuing defaulters, since he cannot know precisely when each company's accounts are due to be filed. Under the new act, this procedure is replaced by a different one under which directors are required to lay and file accounts within a fixed period (usually 10 months for private companies and seven for public companies) following the end of each 'accounting reference period' – ie the period (normally 12 months) in respect of which accounts are required to be made up. Before the system comes into operation on 1 October this year all companies will be asked by the registrar to inform him of their 'accounting reference date', that is, the date on which their accounting reference period is to end: the registrar will then be in a position to know when a company has failed to file its accounts on time. The act provides tough penalties which can be imposed on directors who are in default and on companies whose accounts are filed late.

If companies do not tell the registrar before 1 October 1977 (or before six months from the date of incorporation, whichever is later) what accounting reference period they wish to use, the act lays down that their accounting reference date will be deemed to be 31 March each year. Because of the importance of the change, the registrar has now begun a mammoth mailing operation, sending reply-paid letters to every registered company in the country (there are now nearly 700,000) inviting them to specify what date they wish to use. It is most important that companies which do not wish to have 31 March as their accounting reference date should notify the registrar on the prescribed form (No. 2) which he will be sending them of the date they wish to use.

The act also imposes, with some modifications, revised and stricter obligations on overseas companies corresponding to those imposed on directors of registered companies. Overseas companies are generally however allowed 13 months from the end of their accounting reference period in which to file their accounts. There is a different prescribed form (No. F7) for overseas companies to notify the registrar of the accounting reference date they wish to use, and he is sending them all copies of it. It should be returned by 1 October 1977 (or before six months from the date on which the overseas company established a place of business in Great Britain, whichever is later). Otherwise, as with registered companies, their accounting reference date will be deemed to be 31 March.

Any company not wishing to wait for the appropriate prescribed form which is being sent to it automatically by the Registrar may buy one from law stationers.

Accounting records (Section 12)

The requirements concerning the accounting records to be kept by companies are streng-

Implementation of the Companies Act 1976

Provisions already in force	
Sections 2(1), 10(1) and (2)	Notice of accounting reference dates
Section 33	Contents of prospectus
Section 38(4)	Functions of Registrar
Sections 40, 43, 44 and 45	Supplementary provisions
Provisions coming into operation on 18 April 1977	
Sections 13 to 20	Auditors
Sections 21 to 23	Returns as to directors and registered office
Sections 24 to 27	Disclosure of interests in shares
Section 30	Welsh companies
Sections 31 and 32	Names used by overseas companies for business purposes
Sections 34 to 37	Forms, documents and fees
Section 38(1)	Functions of the secretary of state
Section 39	Criminal proceedings and enforcement
Provisions due to come into operation on 1 June 1977	
Sections 28 and 29	Disqualification orders
Provisions due to come into operation on 1 October 1977	
Sections 1 to 11 (except Sections 2(1), 10(1) and (2) which are already in force)	Duty to prepare, lay and deliver accounts by reference to accounting reference periods
Section 12	Accounting records

British Labour Statistics: Historical Abstracts 1886-1968

This unique standard work of reference brings together all the main series of official statistics compiled by the Department of Employment and its predecessors since 1886, plus some for even earlier years. It contains 389 pages of tables and 50 pages of text and the subjects covered are wage rates, earnings, hours of work, retail prices, employment, unemployment, vacancies, family expenditure, industrial accidents, and disputes, membership of trade unions, labour costs and output per head. This will be a most valuable source-book for everyone concerned with the study and formulation of economic policies. **£7** (by post £7.30)

Also available

British Labour Statistics: Year book

1969	**£6.50** (by post £7.05)	**1970**	**£7.20** (by post £7.90)
1971	**£7.20** (by post £7.75)	**1972**	**£9.00** (by post £9.70)
1973	**£12.00** (by post £12.70)	**1974**	**£17.00** (by post £17.70)

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HMSO BOOKS

Timetable for the Companies Act 1976

thened. Provision is made for preservation of the records for specific periods (three years for private companies and six years for public companies). The section also spells out in detail what the records should contain, in order to disclose with reasonable accuracy the financial position of the company at any particular time and to enable accounts to be prepared giving a true and fair view of the company's trading results and financial position.

Auditors (Sections 13 to 20)
Among other provisions, auditors will no longer be automatically reappointed, but will have to be reappointed by resolution at every general meeting (starting within two months of 18 April 1977) at which the statutory accounts are laid. Auditors resigning before the end of their appointed term of office will have to state whether or not there are circumstances connected with their resignation which they consider should be brought to the attention of creditors or members, and, if so, what they are. The act also specifies the accountancy bodies whose members are to be regarded as qualified for appointment as auditors. It also provides that after one year after the relevant sections come into operation no further individual authorisations will be granted to those who are not members of the recognised bodies. The rights of those already authorised are preserved.

Returns as to directors and registered office (Sections 21 to 23)
These sections amend the law on the information to be supplied to the Registrar concerning the directors, secretary and registered office when applications are made for registration of companies.

Disclosure of interests in shares (Sections 24 to 27)
The provisions of the Companies Act 1967 are tightened up and extended. Those acquiring 5 per cent or more of a listed company's voting shares will have to notify the company of their holding within five days (previously the threshold was 10 per cent and the time allowed 14 days). Directors of a company will be required to notify it of changes in their interests in its securities within five days (rather than 14) and, in the case of a listed company, the company must pass on the contents of such a notice to the Stock Exchange by the end of the next working day. Companies are also given the right to ask registered shareholders to disclose whether or not they are the beneficial owners of the shares, and, if not, who else has an interest in the shares. Companies will also be able to ask similar questions of anyone other than a registered shareholder whom they have been told, in response to earlier inquiries, is interested in those shares.

Disqualification orders (Sections 28 and 29)
Persons who have been persistently in default in relation to those provisions of the Companies Acts concerning the delivery of documents to the registrar may be disqualified from acting as a director by court order. The Secretary of State is required to maintain a register of disqualification orders made under section 28 of the new act, section 188 of the Companies Act 1948 or section 9 of the Insolvency Act 1976.

Companies with registered offices in Wales (Section 30)
Certain companies with registered offices in Wales will be able to use, if they wish, 'Cyfyngedig' instead of 'Limited' as the last word in their name. Documents of such companies may be filed with the Registrar in Welsh, provided that they are accompanied by certified translations in English.

Corporate and business names of overseas companies (Sections 31 and 32)
These sections mean that the Secretary of State has power to prevent foreign companies with a place of business in Great Britain from trading here under undesirable names. It is likely that these new powers will be used mainly to control the use by foreign companies of banking names, which under existing powers are granted to British companies and firms only when certain strict criteria are satisfied.

Contents of prospectus (Section 33)
This section provides that the amount payable or paid on shares to be stated in a prospectus, as specified in the Companies Act 1948, includes the amount, if any, payable or paid by way of premium.

Forms, documents and fees (Sections 34 to 37)
Prescribed forms must be used for most returns to the Registrar and certain additional forms have been prescribed for use under the provisions coming into operation on 18 April (see the Companies (Form No. 2) Order 1977 and the Companies (Forms) (Amendment No. 5) Order 1977). Regulations may now be made as to the size and quality of documents sent to the registrar. He may also, if he thinks fit, accept information on microfilm but this method of presentation is likely to be confined to long lists of shareholders and returns of allotments. Regulations can also be made as to the fees payable to the registrar in respect of any of the functions he performs under the Companies Acts, and of inspection of documents kept by him.

Miscellaneous and supplementary provisions (Sections 38 to 45)
These make various minor changes as to the functions of the secretary of state and the registrar, and other technical and consequential amendments to previous legislation. Implementation dates are included in the table, except for sections 41 and 42 which are applied as necessary in each commencement order, repealing or amending earlier legislation as the new provisions come into operation.

Further information
Inquiries about implementation of sections 1 to 11 and 34 to 37 of the act may be made at the Companies Registration Office: for England and Wales, the number is Cardiff (0222) 388588 ext. 2312, and for Scotland, 031-225 5774 (Edinburgh). Inquiries about implementation about any other of the sections of the Act may be made to Companies Administration Division, Department of Trade, on 01-215 5980 or 5811.

Proposed Pilkington/UKO International merger

The proposed merger between Pilkington Brothers Ltd and UKO International Ltd should not go ahead, said John Fraser, Minister of State for Prices and Consumer Protection, replying on 24 March to a parliamentary question. Announcing the conclusions of the Monopolies and Mergers Commission's report on the proposed merger, Mr Fraser said that the Secretary of State was asking the Director General of Fair Trading to seek an appropriate undertaking from Pilkington.

The commission concluded that any potential benefits to the public interest would be outweighed by the deterimental consequences, in particular:

1 a risk that Pilkington might not give sufficient priority to the immediate needs of the British mass lens industry;
2 a risk that Pilkington might not give sufficient priority to the development of plastic lenses;
3 the reduced likelihood that the British ophthalmic glass industry and the British lens industry would remain competitive internationally if UKO ceased to be an independent company in a position to exert pressure on Pilkington;
4 the risk of increased prices for blanks and lenses;
5 the risk of adverse effects on the United Kingdom balance of payments;
6 the risk of discrimination against independent prescription houses.

Copies of the report are available from Her Majesty's Stationery Office, 49 High Holborn, London WC1V 6HB and branches, price £1.35, or by post from HMSO, P.O. Box 569, London SE1, price £1.41½.

Fruehauf and Crane Fruehauf reference to Monopolies Commission

An extension of time has been allowed for the Monopolies and Mergers Commission to report on the proposed acquisition by the Fruehauf Corporation of Crane Fruehauf Ltd. Roy Hattersley, Secretary of State for Prices and Consumer Protection, has agreed to the reporting period being extended to 9 July 1977 following rep-

resentations from the commission that there are special reasons why the report cannot be made by 9 April as specified in the reference.

The reference, on the proposed acquisition by the Fruehauf Corporation of Crane Fruehauf Ltd, was made on 9 November 1976, under section 69(2) and section 75 of the Fair Trading Act 1973. The reference required the Monopolies and Mergers Commission to report within a period of five months, that is by 9 April 1977.

Under section 70(2) of the act the Secretary of State may allow one further period of not more than three months on any one reference on representations from the commission that there are special reasons why the report cannot be made within the period specified in the reference.

Clearance of merger proposals

Roy Hattersley, Secretary of State for Prices and Consumer Protection, has decided, on the information at present before him, not to refer the following proposed mergers to the Monopolies and Mergers Commission under the provisions of the Fair Trading Act 1973.

The Carborundum Co and Weyburn Engineering Co Ltd

Oce-Van der Grinten NV and Ozalid Ltd

Elbar Industrial Ltd and John Fry (Holdings) Ltd.

Roy Hattersley defends pay policy

'I know that critics of the pay policy – an essential element in the Social Contract – now abound', said Roy Hattersley, Secretary of State for Prices and Consumer Protection speaking to the Scottish Council of the General and Municipal Workers Union in Glasgow on 25 March. 'They are to be found at every point of the political spectrum and I understand why the criticisms grew. Wages policy has provided only rough justice. But to the critics two things must be made clear. Of course our economic performance last year was bad. But without the wages policy it would have been a good deal worse. Of course the standard of living of many working people is falling. But without the wages policy it would have fallen more. And as a nation we could not have afforded the special help which we gave to the sick and to the elderly. Neither as a nation nor as individuals could we have preserved our standard of living by trying to gallop ahead of inflation, paying ourselves false increases in paper money in a vain attempt to keep up with the rising prices we were ourselves creating. It is, I know, a difficult argument to offer and an even harder argument to accept but without a wage deal last year and the year before all of us – and particularly the low-paid – would have been a great deal worse off in real terms.

'No matter what we might have done back in 1974, there was no escape from making an adjustment to our standard of living – the oil price increase made that certain. Wages policy enabled us to regulate that adjustment – not least by ensuring that the poorest workers with the least bargaining power received a fair proportion of whatever wage increase was possible. Wages policy also ensures another sort of success – a success which should not be forgotten and must be repeated. We have succeeded in lowering the rate of inflation. It was halved from a peak of 26 per cent in the summer of 1975 to about 13 per cent in the summer of 1976. Without a wages policy that achievement would have been beyond us. Voluntary wage restraint was an essential part of our successful counter-inflation policy. If we are to achieve the same sort of success this year and next – if the inflation rate is to fall from the summer onwards and be down to single figures in early 1978 – another wage round is essential.

'Unfortunately, inflation has worsened since the end of last year. This temporary fluctuation in the downward trend had several causes. The annual rate now stands at over 16 per cent – worse than last summer, but much better than the summer before. Last autumn the value of the pound fell sharply. There were new increases in world commodity prices. There was the drought. The IMF agreement – with all the pains and penalties that difficult deal involved – has dealt with the first danger.

'The pound is now stable, strong enough now to resist the day-to-day pressures that once cost us so much. That is a fact. Avoiding another drought this year is only a hope. But for once there are long odds on our side. Regretfully world commodity prices are simply not under our control. Coffee, when it enters this country, costs nearly four times as much as it did a year ago. There are clearly problems ahead. But with ultimate success certain, we would be foolhardy to be influenced too much by the recent movement of the Retail Price Index. In fact the inflation rate will fall after the summer – or at least it will fall if we lose neither our will nor our nerve and continue with the policy we know will bring eventual success.

'I know that many reactions to the prospects of another wages round are coloured by the form and detail of the present wages policy. As we consider the next round we need to clear our minds of prejudices about the past: we need to look at new ways of ensuring fairness; of coping with the special needs of the low-paid; of examining how we can recognise the needs for flexibility without releasing the floodgates of inflation.

'Whatever its form, a further wages round has an essential part to play in our economic recovery. It is part of the Social Contract.

'The discussions between government and trade unions – another essential part of the Social Contract – are therefore linked with wages policy. These discussions are not always easy. I am in no doubt about people's wish for us to create more jobs and to get better control over inflation but I must tell you the prospects of our doing either of these essential things will be jeopardised if we do not achieve a further round of wages policy.

'We are asking the trade union movement to accept a further round of wages policy not least because any possible alternative would be very much more painful to their members. The whole world has been impressed by the national unity that the Social Contract demonstrates. If we fail to renew it, the effect on international confidence will be immediate. Most, perhaps all, of the benefits we have gained since those black days in July and October 1976 will be lost. At its worst, the pound at only $1.55. That is not a meaningless statistic, which affects only Wall Street and the Bank of England. A fall in the value of the pound produces unavoidable increases in the costs of imported goods – food, raw materials and finished products – which feeds through into the general level of prices at home. In broad terms a 10 per cent fall in the value of sterling increases the Retail Price Index by some 2½ per cent. Had there not been last year's sterling crises, inflation would have been down almost to single figures by now. Without a wages policy we risk the same crises, with the same effects on all our living-standards. That is a fact, even if it is an unpalatable one.

'We need an agreement – not any sort of agreement, but an agreement which works and an agreement which sticks. A wages explosion would not only affect prices. It would dramtically affect unemployment, already far too high. Workers would simply price themselves out of jobs – particularly in export industries where we must compete internationally and where our products would simply become too expensive to sell. Rising wage costs would discourage investment, and the employment that investment creates. All these dangers would assume new and frightening importance. Again the facts are unpalatable, but again they are undeniable.

'I know how much rising prices mean to people and their families. That is why I am determined that we should take action against unjustified price increases. Beating inflation is possible only if we get the economy right. Real success will come only with a stable and strong economy able to withstand external pressures. But there is also a need for a new and more effective policy on prices.

'In his speech to the House of Commons on Wednesday, the Prime Minister made specific reference to the new prices legislation which I hope to present to Parliament during the next few weeks. That legislation will give the new Price Commission more flexible and therefore more extensive powers – powers to investigate individual companies, to freeze their prices during investigation and – if the increase is un-

justified – to freeze their prices for up to a year in all. We shall retain powers to check the general level of price increases. We shall add to them the power to intervene effectively where such increases are proved to be unjustified.

'Wages policy and prices policy are not the only issues. They are important because they give us a stable base from which we can advance. But above all we need national economic recovery.

'This depends on our capturing world markets and recapturing our home market from foreign competitors. To do this requires a dramatic improvement in efficiency, and a continued increase in investment in manufacturing industry. That is the only sustainable way in which our real standard of living can rise. That is how we must return to and maintain full employment.'

Price commission reports on funeral charges

There is no evidence in this country of the kind of abuse in funeral charges and services that has been so widely publicised in North America. While the cost of a funeral may be a real burden on people, funeral costs in Britain are low compared with elsewhere. This is one of the findings in a report* published on 24 March by the Price Commission.

There is little or no complaint about standards of service. The complaints made to the commission relate almost entirely to prices and pricing practices.

Recommendations

Prices and products For the smallest businesses, disclosed profits of funeral directors are usually no more than sufficient to provide a reasonable remuneration for the proprietors. But for the larger businesses, profits are generous or even high. They are not excessive, but there is room for some reduction.

The report makes it clear that the amounts involved are not large and that the reduction could probably best be achieved by holding prices steady or reducing increases which might otherwise have been made.

The steep rise in local authority charges is, say the commission, a cause of real concern. Most authorities show heavy losses on cemeteries and, at best, only marginal profits on crematoria, but local authorities should make every possible effort to reduce the rise in costs in an effort to minimise increases in charges.

The Price Commission found that profits of coffin manufacturers are very modest and their prices reasonable.

The profit margins of private cemetary and crematorium companies are in some instances high but they are tending to fall. The more profitable companies, could however, reasonably be expected to exercise restraint in increasing charges. The smaller privately-owned businesses on average show little or no profit.

Practices of funeral directors The commission note that at a time of bereavement the balance of bargaining power favours the funeral director. Customers rarely seek more than one estimate, and that estimate will often be oral. The combination of these circumstances means that competition in the normal sense of the word is almost entirely absent and the commission find a need to redress the balance in favour of the customer.

The Price Commission recommend that funeral directors should always give a written estimate to the person ordering a funeral and that the set price for a simple decent funeral should be prominently displayed. Any additional services – such as extra cars for mourners – should be itemised and charged individually.

The commission also recommend that a comprehensive complaints procedure should be established with a central body to which customers unable to obtain redress from funeral directors could appeal with confidence that the complaint would be examined informally, sympathetically and effectively.

Memorial societies

The commission found that many people in the United Kingdom are in favour of a simple, dignified and inexpensive funeral. It is suggested that the Memorial Societies which exist in North America provide a pattern for people seeking help in obtaining the simple funeral they want.

The study

The examination of funeral charges for the most part covered the period 1 October 1972 to 1 September 1976. A response rate of 94 per cent was obtained from the 435 questionnaires sent to the industry seeking information on charges, costs and margins. These questionnaires were supplemented by talks with trade associations, individual funeral directors, coffin manufacturers and other interested persons, and discussions were held with the National Association of Funeral Directors and the Council of British Funeral Services.

There was also a high response from the public to the invitation to submit relevant information and complaints on the subject.

* Funeral Charges. Price Commission Report No. 22 – HMSO, 90p.

Paint prices to be investigated

The pricing structure of decorative paint in both manufacturing and retailing is to be referred to the Price Commission. Roy Hattersley, Secretary of State for Prices and Consumer Protection, has asked the commission to examine the report on prices and margins and expects the report, among other things, to shed light on the wide variations in retail prices of the same household paints.

This reference was announced by Mr Hattersley on 25 March in answer to a written parliamentary question and is part of the programme of special references to the Price Commission on particular pricing questions.

The programme of special references to the Price Commission was announced by the then Secretary of State, Shirley Williams, on 17 April 1975, pursuant to paragraph 2(i) of schedule 1 to the Counter-Inflation Act 1973. The aim is to establish and explain the facts about individual pricing problems of interest or concern and to seek remedies for any abuses that might be revealed.

Price Commission order to restrict prices

The Price Commission has given notice under Section 6 (2) and (3) of the Counter-Inflation Act 1973 to M. Wright and Sons Ltd of Quorn Mills, near Loughborough, Leicestershire, requiring the company to restrict prices for the sale of goods.

The company is being required to reduce prices for the sale of goods, including webbing and narrow fabrics, by an average of 10 per cent until excess profits or £445,000 made in the period from 30 April 1973 to 31 December 1975 are eliminated.

A 14-day notice of the Price Commission's proposed action was issued on 11 February 1977 to enable the company to make representations if it wished. The commission reached its decision after taking account of the company's representations.

In accordance with the Counter-Inflation Act 1973, an announcement has been published in the *London Gazette*.

New price limit for chupatty household flour

The statutory maximum retail price for chupatty flour is to be increased by 15p on 70lb and 32kg packs. The new price limit, contained in an order laid before parliament on 23 March by the Secretary of State for Prices and Consumer Protection, is necessary because of increased costs and came into force on 28 March.

The extent to which prices in shops may rise continues to be governed by the requirement that distributors' profits – the percentage difference between their buying and selling prices – should not be increased.

The order is the Household Flour Prices (Amendment) (No. 2) Order 1977 – SI 1977/535, available from Her Majesty's Stationery Office, price 10p.

The maximum prices for household flour remain unchanged at:

	1lb bag	3lb bag
Plain (other than strong, wheatmeal and wholemeal)	11½p	31p
Self-raising (other than strong, wheatmeal and wholemeal)	11½p	31p
	70lb and 32kg bag	
The new maximum price for chupatty flour (other than batch, brown and wholemeal) is	£4.65	

The Register of Restrictive Trading Agreements (Restrictive Trade Practices Act 1976)

Additions and amendments to the register

Additions and amendments made to the alphabetical index to the register during the quarter ending 31 March 1977 are given below in lists I and II respectively. An explanation of the modified form in which these are now being presented, and of the symbols used in the index, was published in *Trade and Industry* on 7 January 1977 (pages 8 and 9); the following corrections should be made to list I in that issue:

S/307	Auctioneering and appraising	Add 'Scotland' in col 3
S/344	Haulage – tipping	Hyphen was omitted
S/12	Laundering	Entry to be inserted
4009	Limestone, jurassic	Comma was omitted
4009	Limestone, jurassic	Comma was omitted
3981	Publications	Incorrectly shown as 'Publishing'
S/332	Tea – warehousing handling	Incorrectly shown as S/322
S/207	Television horse racing	Incorrectly shown as 'Television'

Agreements referred to the Restrictive Practices Court

On 10 April 1959 there was published in the *Board of Trade Journal* (page 859) a list of all agreements in respect of which Notices of Reference (constituting formal commencement of proceedings before the Restrictive Practices Court) had been issued, except those which had already been dealt with by the court. Subsequent additions have been published at approximately quarterly intervals; there have been no additions to the list in the period ending 31 March 1977.

Agreements not to be referred to the Restrictive Practices Court

The Secretary of State for Prices and Consumer Protection may, on the representation of the Director General of Fair Trading, give directions under section 21(2) of the Restrictive Trade Practices Act 1976, discharging him from the duty of referring an agreement to the Restrictive Practices Court. These agreements are indicated in the index to the register by the symbol 'B' and any addition during the period can readily be identified from the last column in list II.

'D' and 'F' agreements

Similarly, additions during the period to lists of agreements determined or varied can be readily identified from the symbol 'D' or 'F' respectively, together with the month and year concerned, given in the last column of lists I and II. This is explained more fully on page 9 of *Trade and Industry* of 7 January.

Inspection of the register

The register may be inspected between 10 am and 4.30 pm on any weekday except Saturday and certain holidays at any of the following addresses:

Office of Fair Trading (Public Search Room)
Room 729
Chancery House
57 Chancery Lane
London
WC2A 1SP

9 Hope Street
Edinburgh
EH2 4EL

Department of Commerce*
176 Newtonbreda Road
Belfast
BT1 4JX

The fee for inspecting the register is 50p per day, but if fewer than five agreements are inspected, the fee is 10p for each agreement.

Indices to the register, including ones in which commodities and services are grouped by classes, may be inspected at these addresses free of charge. There is also a card index available for inspection, listing the parties to 'service' agreements in alphabetical order.

* Only Northern Ireland agreements can be inspected on demand at this address but other agreements will be obtained for inquirers if required after inspecting the indices.

LIST I – ADDITIONS TO THE REGISTER

Registered no. of agreement	Commodity or service	Area if local	See first paragraph on symbols
S/3	Advertising by bookmakers		
S/282	Amusements (parks and piers)		
S/284	Ballroom dancing		
S/140	Betting		
S/238	Bingo		
4038	Bituminous Macadam		F2/77
S/494	Cinema advertising		
S/292	Coach hire	South west Hertfordshire	
3997	Computer software		
S/553	Credit card facilities	London	
S/554	Credit card facilities	London	
S/167	Dancing instruction		
4039	Diazo copying material		D2/77
4040	Diazo copying material		D2/77
4041	Diazo copying material		D2/77
4042	Diazo copying material		D2/77
4043	Diazo copying material		D2/77
4044	Diazo copying material		D2/77
4045	Diazo copying material		D2/77
4046	Diazo copying material		D2/77
4047	Diazo copying material		D2/77
4048	Diazo copying material		D2/77
4049	Diazo copying material		D2/77
4050	Diazo copying material		D2/77
4051	Diazo copying material		D2/77
4052	Diazo copying material		D2/77
4053	Diazo copying material		D2/77
4054	Diazo copying material		D2/77
4055	Diazo copying material		D2/77
4056	Diazo copying material		D2/77
4057	Diazo copying material		D2/77
4058	Diazo copying material		D2/77
4059	Diazo copying material		D2/77
4060	Diazo copying material		D2/77
S/191	Electrical appliance servicing		
S/287	Electrical appliance servicing	England and Wales	
S/509	Estate agency and allied services	Ashford	
S/53	Estate agency and allied services	Dorking	
S/464	Estate agency and allied services	Wembley and Harrow	
S/430	Football		
S/13	Footwear repairing		
S/572	Footwear repairing		
S/237	Freight forwarding		
S/449	Holiday accommodation	Mablethorpe and Sutton-on-Sea	
S/39	Holiday camps		
S/417	Hotel accommodation	Skegness	
3959	Hover furnaces		
S/74	Laundering	Ulster	
S/142	Lighterage	London	
S/327	News service – financial		
S/133	News service – greyhound racing	London (Hackney)	
S/132	News service – greyhound racing	Watford and Harringay	
S/130	News service – sport		
3968	Pet food		F4/76
S/571	Poster advertising		
4001	Publication of 'Good News' Bible		
S/48	Showjumping		
S/209	Stevedoring	Grimsby and Immingham	
S/210	Stevedoring	King's Lynn	
4038	Stone		F2/77
S/90	Tea brokerage		
S/487	Theatre bookings	London	
S/16	Theatrical production	London	

LIST II – AMENDMENTS TO THE INDEX

Registered no. of agreement	Register index entry	Area if local		Amendment
3754	Castings			add D12/76
3813	Circuit digital data			add D10/75
S/137	Hotel accommodation	London		add F2/77
2609	Matches			add D12/76
3834	Outdoor electric lamps and lanterns			add D9/76
2514	Printed matter			add B12/76
3141	Steel products		B10/69	add D1/77
2693	Switchgear			add D12/75
3948	Zinc die casting alloy			add B12/76

Administrative guidance on electrical safety regulations

The second edition of the non-statutory guide to the Electrical Equipment (Safety) Regulations 1975 as amended by the Electrical Equipment (Safety) (Amendment) Regulations 1976 has been published by the Department of Prices and Consumer Protection.

The guide lists British standards regarded as acceptable by the government for the purposes of the regulations. Also listed, for the information of enforcement authorities and other interested bodies, are the approval or certification bodies notified to the EEC commission by member states, and the testing bodies authorised for the purpose of the regulations.

Copies of the 'Administrative Guidance on the Electrical Equipment (Safety) Regulations 1975 and the Electrical Equipment (Safety) (Amendment) Regulations 1976' (ISBN 0 11 511831 4) may be obtained from any branch of Her Majesty's Stationery Office, price £1.50, or by post from HMSO, PO Box 569, London SE1 9NH (£1.64).

Offshore research focus

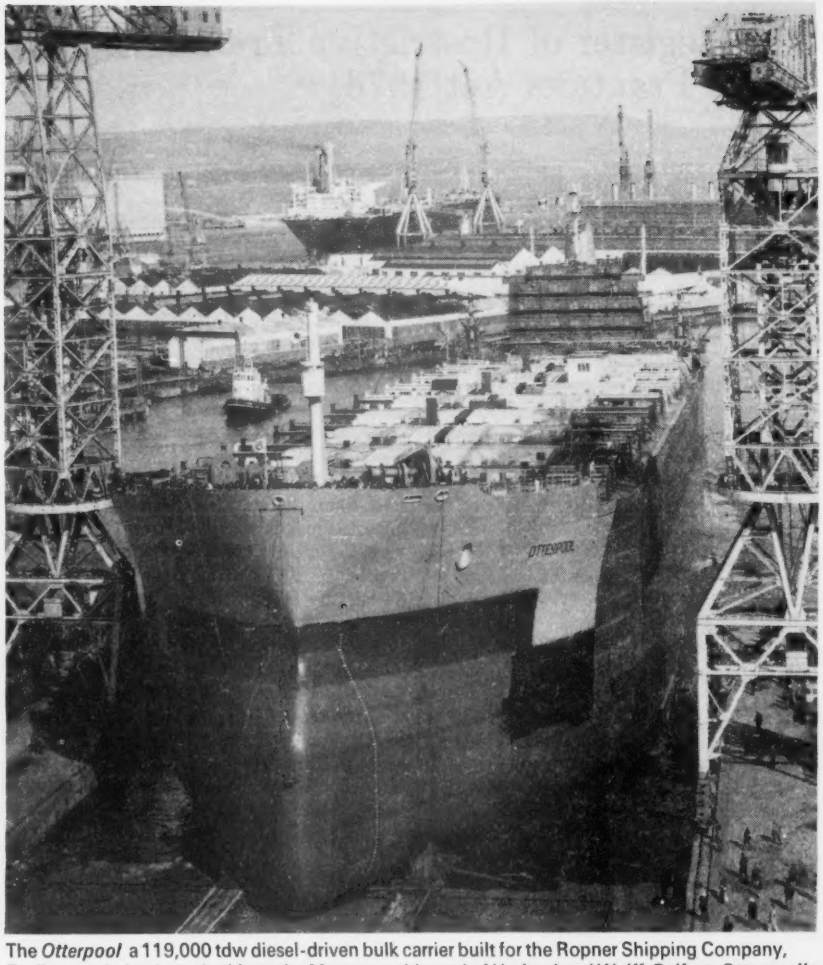
Offshore Research Focus a new, quarterly newsletter, is now being produced by the Department of Energy to keep scientists, technologists and engineers in the UK informed, with the minimum of delay, of developments in this important area of technology.

Offshore Research Focus is available free to organisations concerned with research, development, operation, construction, etc related to offshore hydrocarbons, but will be mailed to UK addresses only. Firms wishing to receive it regularly should apply to; Focus for Offshore Research, CIRIA, 6 Storey's Gate, London SW1P 3AU, tel. 01-839 6881, giving details of name, position, organisation, address and company activity.

Fuel consumers guide

The prospect of an energy self-sufficient Britain during the 1980s is partly responsible for the lack of progress among industrial and commercial companies to improve their fuel use efficiency. But attention to energy saving remains critical, if Britain is to enjoy an energy surplus into the 1990s.

This is one of the points made in 'Energy for Industry' published last month. Prepared as a regular guide to the fuel markets for both consumers and suppliers it points out that savings of 15 per cent or more are often feasible without significant capital expenditure.



The *Otterpool* a 119,000 tdw diesel-driven bulk carrier built for the Ropner Shipping Company, Darlington, being launched from the Musgrave shipyard of Harland and Wolff, Belfast. *Otterpool* is the third and largest Belfast-built bulk carrier to join the Ropner fleet. The first two vessels – *Rudby* and *Iron Somersby* – were each of 105,500 tdw.

Patents endorsed 'Licences of Right'

Under section 35 of the Patents Act 1949 the following patents were endorsed 'Licences of Right' on the dates specified.

Number	Grantee	Subject-matter
14 March 1977		
1,196,220	Robert Bosch GmbH	Improvements in or relating to centrifugal governors
1,239,900	Robert Bosch GmbH	Improvements in or relating to heating devices for motor vehicles having air regulating flaps
1,421,201	Robert Bosch GmbH	An air conditioning system
1,255,155	Wallace, Cameron & Company Ltd	Improvements in or relating to preformed surgical or medical dressings
1,328,088	Wallace, Cameron & Company Ltd	Improvements in or relating to solubilized alginic materials
1,329,693	Wallace, Cameron & Company Ltd	A haemostatic surgical dressing and a method of manufacturing same
1,301,705	Societe Anonyme Automobiles Citroen	Improvements in vehicles
1,337,080	Societe Anonyme Automobiles Citroen	Improvements in electronic control devices for multistage gear boxes
1,447,552	Les Cables de Lyon	Connector for a high-frequency coaxial cable
1,447,581	Les Cables de Lyon	Sealing arrangement for a helically corrugated tube
1,166,881	Kenteel Ltd	Improvements in or relating to cooking apparatus
1,424,357	Forrest Thomson Randell	Ship steering and manoeuvring apparatus
1,426,181	Dennis Cowling	Improvements in or relating to machines for conveying material
1,454,568	Hitachi Ltd	Electron gun assemblies for use in colour picture tubes

Any person who claims that the patentee at the time of endorsement of any of the above patents was precluded by a contract in which claimant is interested from granting licences under the patents may apply for cancellation of the endorsement on Patents Form 45 within two months after the date of endorsement.

E. Armitage
Comptroller

New products

Grinding machines

High speed grinding machines, a new range introduced by Vickers Ltd, are suitable for a wide range of engineering applications.

Marketed as the Vickers-CNF range, the machines are available in four basic models.

Primarily developed for the high speed grinding of punches and dies in press tooling, the units can be used for a wide variety of other applications in production and maintenance engineering. Major advantages claimed for the CNF machines include operation by unskilled personnel and time savings of over 50 per cent in the sharpening of dies and punches for unit tooling.

The new grinders incorporate a work platform fitted with one or two operating stations and a standard 127mm (5 in) diameter cup grinding wheel fitted to a swivel head. Components to be ground are held in position on the work stations by a variety of attachments including a three jaw chuck, magnetic chuck or powered rotary table. The grinding head is then swivelled by the operator to give a precise 90 degree cut. The units can also be fitted with an adjustable table which can be set at any angle for grinding shear on dies etc.

Further information: circle 208

Mobile oasis

A mobile, self-contained water purifying and cooling unit developed by Transfrig Ltd, in conjunction with the Acro-Kool Division of Crawley (Refrigeration) Ltd, has been strengthened for travel across the roughest possible terrain, such as rocky desert, brush and marshland, where frequently only sweet water supplies may be found. Known as the Transfrig Oasis Mark II, this rugged processing unit filters all germs from suspect or sweet water sources, then cooling and reflavouring the liquid to provide 450 litres (100 gallons) of safe, palatable and refreshing drinking water. Effective removal of bacteria, including carriers of cholera, typhoid and dysentery, is achieved by forced circulation of sweet water through a bank of specially selected activated carbon filters.

Developed from an earlier trailer-mounted version, the new Oasis has been mounted on a rigid baseframe, which is supported on a high-slung chassis with an 'A' frame for attachment to the towing vehicle. Large 'land rover' type wheels and a functional, heavy-duty spring system ensure shock protection and adequate clearance above small boulders. The equipment will be used by military organisations and by industrial and commercial organisations, exploration teams or expeditions involved in surveying anywhere remote from civilisation. The unit could also prove invaluable as an emergency water supply for areas struck by natural disasters.

Further information: circle 209

Temperature control in packaging

A range of compact electronic temperature controllers developed by Controls and Automation Ltd for the packaging industry provides three types of mounting arrangement: plug-in with remote adjustment (Model 6001); plug-in with adjustment on the unit (Model 6002); and panel mounting with a 48mm × 48mm bezel (Model 6003).

The Series 6000 uses a proportional control system to avoid the 'hunting' that occurs with on/off controllers. The time cycle of the proportioning action on standard units is 20 seconds, but cycle times of between 5 and 120 seconds can be supplied to order. Accuracy is typically within ± 1°C under steady load conditions and the standard temperature ranges are 0-100°C, 50-250°C, 50-350°C and 50-450°C. Other ranges up to 0-1,200°C can be supplied to order. Output is via a power relay rated at 5 A, 250 V ac and a static output can be provided for thyristor control systems.

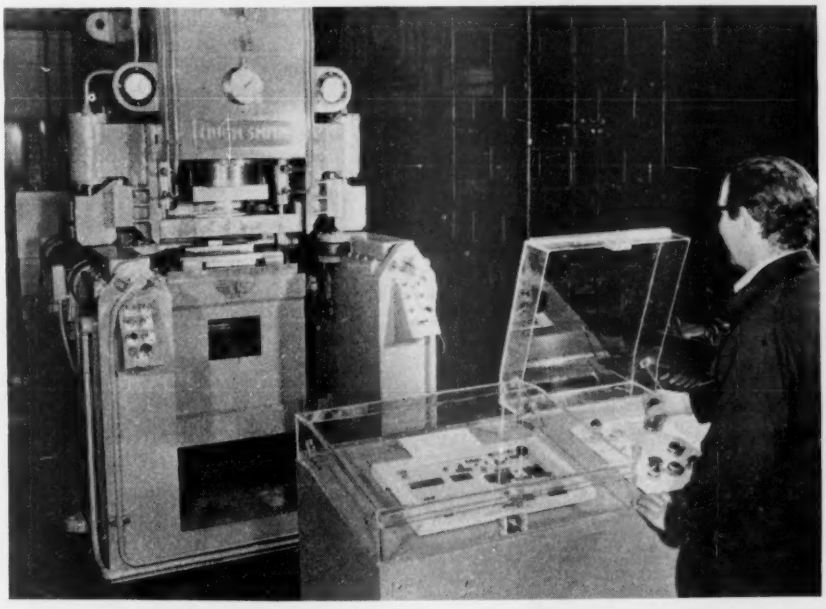
All critical components are of high tolerance and stability, and the unit is treated to prevent any long-term corrosion. The case itself is moulded in self-extinguishing plastics, and the layout and spacing of the insulating barriers and connection tabs are designed to conform with international electrical standards.

Further information: circle 210

Solid-state weighing system

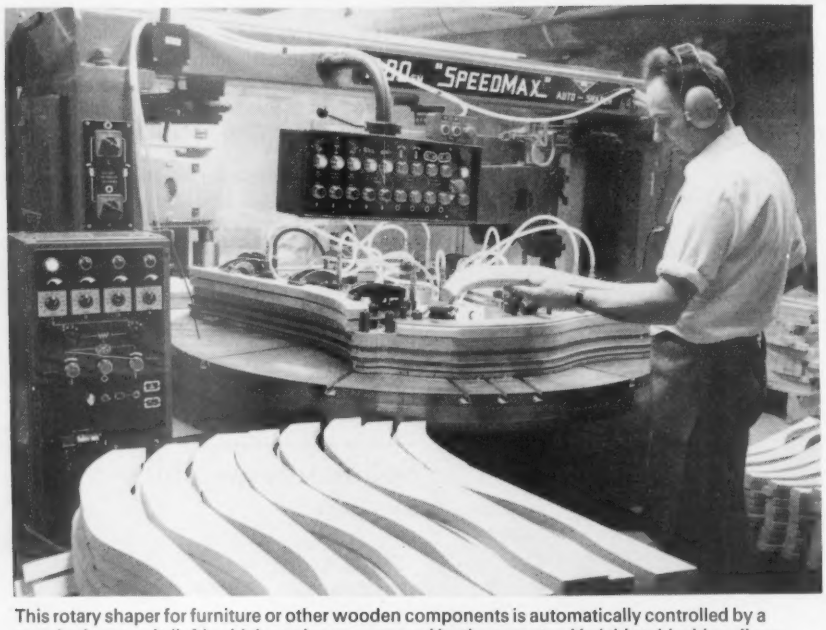
A microprocessor-based digital electronic weight control indicator, the Quantomatic 4500, has been introduced by Mangood Ltd. It is compact, accurate, easy to service and low in cost. Multi-function displays

Punching and notching for shipyards



Hugh Smith (Glasgow) Ltd has introduced a 400 tonnes power fully-automatic punching press, an entirely new machine designed so that it can be incorporated in the section lines of either semi- or fully-automated shipyards. The new press can punch elliptical holes up to maximum dimensions of 200mm by 100mm as well as round holes and rectangular and semi-circular notches in sections of all types up to a width of 1200mm (47¼ in). Depending on the size of hole the thickness capacity ranges up to 35mm (1⅜ in) in normal and higher-tensile shipyard steels: the new machine represents, therefore, significant advances in the technology of metal punching as well as press design. Previously, flame cutting has been the sole method of carrying out these operations, a lengthy, laborious and expensive process involving measuring and marking out before cutting and subsequent hand dressing of the flame-cut edges. With the new press, on the other hand, the section is fed automatically through the punching station to pre-set pitch measurements and as the complete cycle time for each punching operation, including the feeding period, is only 20 seconds, the rate of production is very much enhanced.

Tape controlled rotary shaper



This rotary shaper for furniture or other wooden components is automatically controlled by a punched tape unit (left) which can be programmed by the operator. Variable table drive allows greater control of feed rates than was possible on previous shapers, say its makers. Designated the R80-SM 'Speedmax', it operates at any speed up to maximum, so that the feed rate can be adjusted to give the optimum output according to timber thickness and component shape. It is claimed to be capable of up to 10 per cent greater output than the fastest machines previously available. Faster setting-up time makes small batch runs an economic proposition and the control of speed variations by tape eliminates manual cam setting.

Further information: circle 213

and print-out facilities are available.

The new unit can be installed to update existing equipment or specified as part of any new weighing facility. It is also easily matched to new or existing mechanical weigh-scale equipment to provide the advantages of digital readout and printer. The Quantomatic 4500 is suitable for a wide range of industrial and commercial applications, such as mining and construction plants, road and rail vehicle weighing, foundries, refineries and manufacturing engineering to food processing and pharmaceuticals.

Wiring requirements are minimal and modular colour-coded microprocessor constuction drastically reduces maintenance requirements and greatly simplifies servicing. A clear large figure LED data display has indicators for lb, kg, gross, net, overcapacity, undercapacity, weigh, print and deadload zeroing.

Further information: circle 212

Automatic lubrication

Off-road earth-moving and construction plant can be protected by the Air Grease System (AGS) time-controlled, automatic lubrication system manufactured by Interlube Systems Ltd. Vehicles which frequently operate under extreme conditions, need their chassis and suspension components protected against the attack of mud, sand and grit

For plantation clearance

The new hydraulic Maximo flail cutter – has been designed to cut and pulverise secondary bush, scrub, brambles and most forms of growth – even Africa's tough Eupatorium Odoratum plant. It is front mounted on the tractor, has a 2m cut and can be angled to work at the most suitable level, while the attitude of the flail hood can be adjusted hydraulically to match the application. This rugged machine is claimed to operate efficiently in the clearance of heavily overgrown or neglected oil palm, cocoa and rubber plantations. Sugar cane waste can be pulverised and the sharp stumps, left after harvesting, can be rendered less harmful to tyres.

Further information: circle 214

which quickly damages bearing surfaces.

An air operated 'Airdromic' pump assembly, which has already proved itself on many thousands of vehicles fitted with mileage-controlled chassis lubrication, forms the heart of the system, dispensing a metered amount of grease by individual distribution lines to each bearing in the system. A distributor manifold can be inserted in any one line to feed a multiplicity of bearings with a smaller quantity of soft grease. A maximum of 60 principle bearing points can be supplied from the pump.

A solenoid operated valve and a solid-state timer transmit air from the vehicle air reservoir to the Airdromic pump. The timer incorporates a memory, rendering all vehicle operating periods additive for the purpose of cycle timing. The lubricating cycle therefore remains constant with the vehicle operating schedules and automatically compensates for periods of varying activity.

Further information: circle 215

Automatic strapping

Suitable for all carton closing and unitising requirements, from food to packaged consumer goods, newspapers, extrusions and unitised timber, is a fully automatic strapping machine from Lawco-Avistrap. It offers positive economies on manpower by not requiring an operator. The ability to strap accurately without an operator results from a combination of power feed and discharge conveyors, with a strapping unit which will apply, tension and heat seal polypropylene strapping at over 700 straps per hour. The strapping sequences are controlled by semi-sealed limit switches within the conveyor beds and any number of straps can be applied to constant or random length packages or bundles at preset distances from the leading and trailing edges. A particular feature of this unit is that the trip settings are easily adjustable to secure any size of package upwards of 230mm long. The whole unit, including the integral strap dispenser, occupies only 2m of conveyor line space.

Further information: circle 216

Freepost reader service

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Home exhibitions

COPE founded at Pakex 77

Co-operation and rationalisation in the interests of packaging exhibitors and visitors alike are the twin objectives of a new organisation founded during Pakex 77, the 16th International Packaging Exhibition, held last week at the National Exhibition Centre, Birmingham.

The Confederation of Organisers of Packaging Exhibitions (COPE), was founded at a meeting attended by representatives of exhibition organisers for Propack (Belgium), Embax-Brno (Czechoslovakia), Pak-Tek (Denmark), Salon International de l'Emballage (France), Macropak (Netherlands), Taropak (Poland), Graphispack (Spain), Scanpack (Sweden), and Pakex (United Kingdom). The founder chairman of the new confederation is Wilhelm Ditmar from the Netherlands, with John Legate, Director of Industrial and Trade Fairs Ltd, UK, as the vice-chairman. The aim of the confederation is to ensure that the cycle of European packaging exhibitions should provide optimum facilities for exhibitors and visitors to packaging exhibitions throughout Europe.

Pakex 77 fulfilled all its promises to be an exhibition of major international stature both in terms of its global spread of exhibitors and its visitors who came from all parts of the world. Both exhibitors and visitors alike acclaimed it as highly successful. It attracted an officially audited attendance for the five days of 29,444 visitors of whom 2,930 or 10 per cent came from overseas.

Exhibitors commented favourably on the high calibre of the majority of both UK and overseas visitors. Because of the large proportion of decision makers present, a number of exhibitors packed away their exhibits with firm orders written in their books or were highly confident of being able to clinch worthwhile contracts in follow-ups to many inquiries received from potential new customers both on the home and export 'fronts.'

Further information: circle 217

Largest meat trades fair

The 1977 National Meat Trades Fair, being held at the Harrogate Exhibition Centre, 9 to 11 May, is now certain to be the largest of its kind ever held in the United Kingdom devoted solely to the meat industry and allied trades. One hundred and sixteen companies are booked to exhibit on 93 stands. Among the exhibitors are 15 companies from Austria, Denmark, France, Federal German Republic, Netherlands, New Zealand, Republic of Ireland and Sweden.

W. and J. Avery Ltd are showing for the first time retail label dispenser equipment. Also on display will be their range of digital scales with associated pre-pack labelling techniques, price computing counter scales and optical indicator systems for track scales. Of particular interest to visitors will be the 1750 digital retail scale. Berkel Auto Scale Co Ltd will be exhibiting serve over refrigerated counters, ticket issuing digital counter scales and digital scales, together with weighing, pricing and labelling systems. Also on display will be automatic over-wrapping machines linked with automatic EDPAC Index/Labeller.

W. W. Chamberlain and Sons Ltd will be introducing an entirely new meat processing table, based on hollow section steel tubing galvanised after welding to resist corrosion. The new table has been carefully designed to eliminate food traps making the tables easy to clean. Firth Brown Tools Ltd will have on show for the first time in the UK a range of new Aven meat and fish cutting bandsaw blades, designed to suit all meat cutting applications. GSPK (Electronics) Ltd will have on display a completely new product – the Master Cutler – which is a knife re-grinding machine.

Lindsell Dewell and Co Ltd will be exhibiting a new 'Universale' cooked meats cabinet and a range of tailor-made refrigerated stainless steel counters and cabinets. RHM Ingredient Supplies Ltd will have on show for the first time their Hollymatic 475 patty forming machine designed to produce 3,600 patties per hour from one head. Simon-Rosedowns Ltd will be introducing the 'Universal Type' meat meal screw press for the processing of meat and bone greaves. It is a high capacity, high pressure machine with a rated input capacity of 75 tons per 24 hours. Warwick Production Co Ltd will be introducing at this exhibition a heavy duty, all welded (aluminium alloy) meat handling trolley.

Further information: circle 218

In brief

IDEA a sell out: The International Domestic Electrical Appliances Trade Fair (IDEA) is all but sold out, report the organisers, Montbuild Ltd.

The exhibition will be held at the National Exhibition Centre, Birmingham, from 24 to 27 May. So far a total of 144 companies have booked stands

Ken Hendley, director of the Association of Manufacturers of Domestic Electrical Appliances (AMDEA) who are sponsoring the exhibition, says the response from British manufacturers is encouraging in the face of the prolonged difficulties from which the industry is showing signs of emerging.

Further information: circle 219

Technology news

Better engineering, technology and productivity

Jennifer Clarke talks to the new Chief Scientist

Dr Duncan Davies, new Chief Scientist at the Department of Industry.

Yesterday Dr Duncan Davies took up his appointment as Chief Scientist at the Department of Industry, where he will no doubt apply much of the experience he has gained as general manager, research and development at Imperial Chemical Industries.

His predecessor, Ieuan Maddock set out to encourage better engineering, productivity and technology in the general run of industries, believing that it was wrong for a high proportion of the country's talent to be concentrated in nuclear energy and aerospace. This is a view with which Dr Davies wholly agrees, and he hopes, he says, that 'things can be done to help the department to be more useful and lead to an industrial strategy to put into practice Ieuan's ideas'.

As chief scientist, Dr Davies now has administrative responsibility for the department's six industrial research establishments and while recognising that part of their work is involved with official standards and regulations, he sees one of their functions as making better use of existing plant and assets, and in selecting areas for new investment. Close collaboration between the government, technologists and industry should, he believes, make it possible to achieve optimisation and improvement, preferably at the work place.

Although in favour of the repayment criterion, as a means of determining whether research is relevant and effective, he thinks that total emphasis on repayment leads to fragmented programmes on disparate issues often concerned with gadgets. Repayment is not, however the only way in which the customer-contractor principle can be implemented. It is, he says, difficult to be more specific without going into particular examples, but what counts 'is the extent to which the department can do things identifiably to help the balance of payments and industry's cash flow over the next few years'.

There is, he thinks, considerable progress to be made in taking more account of technological factors and opportunities in formulating government industrial policy when industry or taxation or employment or regional development is being considered. Bearing in mind his different career background, he expects that he may take some initiatives which add to those taken by the previous chief scientist.

'The department, and technologists and administrators need to be seen by industry as a unifying and helpful resource. Senior ministers and senior members of the department want this, and I hope my experience in industry will be relevant to the task.'

Although a chemist by training who spent quite a long time working on chemistry and its application, Dr Davies regards himself principally as a technologist 'concerned with making things happen'. He sees technology and engineering as a key resource, but is keen on understanding, using, and talking about all the sciences and is interested in new developments in basic as well as the applied fields. But his role, he believes, 'Will be to use the work of the scientists to improve the health of technology in general and engineering in particular'.

He fears that some people might consider that 'Industry and the civil service are two different worlds. I want,' he says, 'to bring people together.' He also wants to become involved in central policy, to be 'a credible mandarin and a credible member of the science group'.

Can he do anything to encourage recruitment into engineering? No one sector of education can, he thinks, do very much on their own. 'Schools often pick pure science (although there are some signs of a swing back), universities are handicapped by the bias in the schools and employers are handicapped by the bias in the universities. All these situations interact so that we lack the engineers, especially those of broad capability and very high quality, that we need.'

He thinks that the answer may lie in the sort of industrial scholarship system already suggested by the Secretary of State for Education and Science. 'Such an initiative should help school teachers, dons, and school leavers to be confident that there are pay and incentives that will be motivating and that the academic world in general will more clearly recognise engineering as an intellectually valid pursuit.'

Dr Davies leaves industry with a great deal of regret, balanced fortunately by a feeling of excitement about the difficulties of the new job. He had become accustomed to working with an international organisation. 'There are a lot of people outside the UK who've so far been "us", and now they're all "them". But I shall keep in touch, to make sure we find out progressively more about the competitive challenges we in the UK must face up to.'

Industrial Visiting Fellowships

A new fellowship has been introduced by the Science Research Council to help British firms and organisations to learn from other countries. It is intended to enable suitable staff to spend from six months to three years working in advanced industrial firms, R and D organisations, or institutions of technology in countries overseas with the object of studying advanced industrial techniques and innovation by the exploitation of R and D in industry; learning how the UK can make better use of scientists and engineers, particularly in industry; and studying advanced practice in postgraduate training to meet modern industrial and commercial requirements.

Each fellow will be supported jointly by his employer and the council on the basis of retaining his normal salary progression. The council will meet an agreed proportion of the cost and will arrange any necessary instruction in the language of the host country.

No specific academic qualifications are required. Awards will be made on the experience and ability of the candidate, on the support by his employer and on the benefit that might accrue to him, his firm, and the

country from the proposed study.

Further details from P. W. Black, SUGA, State House, High Holborn, London WC1R 4TA, 01-242 1262, ext. 157.

Print system for wool knitwear

A relatively inexpensive method of printing designs on to the front and back panels of fully-fashioned wool knitwear has been developed by the International Wool Secretariat.

The process, which uses an energy-saving cold technique that is unique to wool, is being offered by a British firm of commission processors, Theta Dye Works of Heanor, Derby, part of the dyeing and finishing division of Meridian Ltd.

Apart from its relative cheapness, the cold print-batch process requires no steaming and is, therefore, ideally suited for use by conventional garment finishers who usually do not have steaming facilities suitable for print fixation. It also makes use of dyestuffs which have good wash fastness, give high colour yields and produce bright and attractive shades.

Wool knitwear until now has been printed through the use of a flat screen method, involving labour-intensive manual pinning out of the garments, or by wet transfer. Both give attractive results but are relatively expensive.

Pigment screen printing is a third possibility, but as the pigment tends to affect the handle of the wool adversely, the design must be confined to very small areas.

Cold printing involves the application of fibre-reactive dyestuffs at room temperature from print pastes containing relatively high concentrations of urea, which permits dye fixation without the use of steam. After printing the garment is stored for 24 hours to ensure optimum dye fixation, washed off and dried.

A number of variations are being investigated, such as tone-on-tone effects, by printing on the fabric a dye-resist agent and then overdyeing the garment, thus producing light prints on dark backgrounds; and printing on top of a rib structure so that when the garment is stretched it gives a shaded two-colour effect.

Further information: circle 220

Microprocessor contract

With the falling cost of hardware, distributing software on pre-programmed, and/or programmable, read-only memory modules, rather than on cards, paper tape or magnetic tape is a possibility worth further investigation.

In order to do this, the National Computing Centre has awarded CAP MicroSoft a £9,000 contract to look at the market potential and current technology of software facilities, pre-loaded on to a microprocessor module, for direct connection to host computers.

As major suppliers of software programs, the NCC has seen technological advances made in this area and realised the potential it offered in modular software facilities. The NCC's own software programs such as Filetab are eminently suitable for pre-packaged form.

The advantages of software packages in microprocessor modules are that they offer additional software facilities without significant increase in the work load of the host computer, portability of software between locations, increased standardisation, and easier maintenance and easier updating.

Although the technology lends itself to the incorporation of software, the main problems are concerned with the viability of 'plug-on' to the small mainframe computer as it requires a certain degree of standardisation of communication interfaces.

The CAP MicroSoft contract, which will be completed in seven weeks, provides for a report and presentation to be made to the NCC on the market potential, technical state of the art and the practical limitations of such products.

Quiet stock tubes

The Production Engineering Research Association have now introduced a quiet stock tube (air feed) which enables them to offer noise attenuated feed tubes to meet all applications.

Up till now the standard PERA quiet stock tubes, many of which have been in satisfactory service for five years or more, have been used on machines such as single and multi-spindle automatic lathes which already incorporate a feed finger system for feeding bar material into the machine.

The new air feed tube contains all the essential features of the standard PERA quiet stock tube and is applicable to machines such as Capstan and Turret lathes which require an external bar feeding system. In many instances such machines, at present, use slotted tubes and a gravity feeding system. These are frequently very noisy, and often have practical operating problems.

The Health and Safety at Work Act 1974 draws attention to the dangers of noise in industry, and the most effective practical way of reducing noise levels at work is to tackle it at source. PERA quiet stock tubes provide effective noise reduction of bar stock 'rattle' in feed tubes within the limits of the current code of practice.

Further information: circle 221

Freepost reader service

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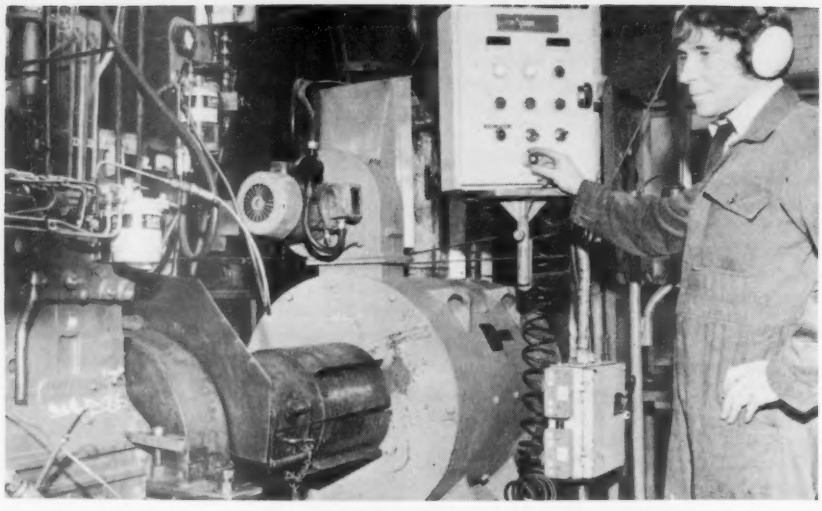
Seed pod in a magnetic field

A television picture of a small seed pod has been produced by nuclear magnetic resonance at the University of Nottingham. The NMR technique allows the building up of detailed pictures of the structure of living organs without the use of X-rays or radio-isotopes. The specimen is put inside the NMR machine and a powerful static field is switched on. Radio waves are then passed through the specimen. The wavelength of the radio waves which can be absorbed by each type of atom varies according to the magnetic field. By measuring the wavelengths and power absorbed at different frequencies it is possible to determine which atoms are present and their proportions. Using a computer, the research team under Dr Peter Mansfield can translate the data gained from NMR directly into a television picture. This looks like an X-ray picture but has the added advantage that it reveals details of many soft tissue structures which do not show up well in X-rays.



The Brush electrical test brake in operation at the quality control line at Perkins Engines, Peterborough.

Pneumatic transport of solids in pipes

An international conference organised by BHRA Fluid Engineering on the pneumatic transport of solids in pipes (Pneumotransport 4) will be held in June 1978 in the USA, in conjunction with the Colorado School of Mines. Offers of papers are invited.

Pneumatic pipelines could provide a means of moving large quantities of minerals in capsules at relatively low cost without damage to the environment. The BHRA/TRRL pilot pipeline at Milton Keynes has brought this prospect nearer because the patented flapgate booster unit, sited at regular intervals, could be used to inject low-pressure air into an underground line, enabling long pipelines to be constructed.

Further details from the Organising Secretary, Pneumotransport 4, BHRA Fluid Engineering, Cranfield, Bedford MK43 0AJ, tel. Bedford 750422.

The making of a microcircuit

A complex design for an integrated microcircuit is checked before being photographically reduced 200 times to produce a silicon chip less than 5mm square and containing the equivalent of 1,000 transistors. Engineers at Edinburgh University specialise in designing and producing micro-circuits to meet the specific requirements of customers. A prototype is made which the customer can then put into full-scale production. A collection of computer programmes enable them to design extremely complex circuits by means of a visual display unit. A great advantage in being part of the University is easy access to advanced testing and diagnostic equipment.

Energy saving diesel engine test brake

Brush Electrical Machines Ltd, a Hawker Siddeley company, has introduced a regenerative electrical test brake designed for use by manufacturers of a wide range of industrial, automotive and marine diesel engines.

The new electrical test brake has been developed to supersede the conventional and energy-consuming water or eddy current brakes. The idea was to produce a test rig which was as accurate as existing equipment and yet more economic in its use of energy, required less maintenance, was simple to install and had more flexibility and ease of operation.

Work began on the project at Loughborough late in 1974 after an approach by Perkins Engines who were keen to recover as much energy as possible in their production centres during the power crisis of that year. The Bush control gear division started from its experience in controls for rotating machines and adapted this technology to the diesel engine test rig problem. The answer was to employ a standard d.c. motor with a thyristor controller and to convert the shaft energy developed by the engine under test into reusable electrical energy.

During 1975 production test rigs were installed for evaluation, and other advantages became apparent during prolonged test by quality control engineers.

Further information: circle 222

Dounreay fast reactor closed down

The experimental 14 megawatt fast reactor at Dounreay, was shut down on 23 March after nearly 18 years' operation. The reactor will now be progressively decommissioned with the object of converting the spherical reactor containment building to a fast reactor museum.

The next stage in the development of fast reactors has been the construction of the 250 megawatt prototype fast reactor, also at Dounreay, to a design based on the experience gained in the construction and operation of the earlier DFR. PFR, which was commissioned in 1974, was first brought up to its full heat output of 600 megawatts at the end of February this year, when its electrical output was limited to 200 megawatts because electrical generating plant had not been fully optimised. It is now shut down for its first refuelling and overhaul.

Successful operation of PFR and the rebuilding of existing fuel reprocessing facilities at Dounreay will mean that Britain is once again at the forefront of fast reactor technology, as the only country operating a complete fast reactor fuel cycle. The next stage in the programme will be the construction of a full-size demonstration fast reactor power station, known now as CFR-1.

Parliament

Monday, 21 March

Energy Audit Scheme

Peter Rost (South East Derbyshire) asked for a progress report on the Energy Audit Scheme managed by the Energy Unit at the National Physical Laboratory.

Mr Huckfield said: 'The first report, on the non-ferrous metals industry, is expected to be published in June 1977. Further reports, on the mechanical engineering, textiles, ceramics, glass and paint industries, are expected to be published between September 1977 and February 1978.

'Information is being obtained on the energy consumption within each of these industries. This is being used to identify where energy savings can be made.'

Mr Rost also asked about progress on the industrial energy thrift schemes managed by the Energy Unit at the NPL.

Mr Huckfield said that 1,607 industrial sites had been visited. Each company concerned had received or would receive a confidential report on the economic energy-saving opportunities identified. About 3,500 sites would be visited in total during the operation of the scheme.

'It has been shown that the majority of the companies visited can improve their energy efficiency through simple measures,' said Mr Huckfield. 'Further improvements could also often be obtained by capital investment which would be recouped in a matter of a year or two.'

Mr Rost asked for a list of the consultants and research associations under contract to the Energy Unit at the NPL engaged in work on the Industrial Energy Thrift Scheme and the Energy Audit Scheme; and for the budgeted expenditure for these schemes.

Mr Huckfield listed the research associations carrying out the Energy Audit Scheme as:

British Ceramic Research Association
BNF Metals Technology Centre
British Glass Industry Research Association
Building Services Research and Information Association
Electrical Research Association
Paint Research Association
PIRA (the research association for the paper and board, printing and packaging industries)
Production Engineering Research Association
Shirley Institute (cotton, silk and man-made fibres research association)

Research associations carrying out the Industrial Energy Thrift Scheme are:

British Ceramic Research Association
British Glass Industry Research Association
British Leather Manufacturers Research Association
BNF Metals Technology Centre
Electrical Research Association
HATRA (formerly Hosiery and Allied Trades Research Association)
Lambeg Industrial Research Association
PIRA (the Research Association for the paper and board, printing and packaging industries)
Production Engineering Research Association
Rubber and Plastics Research Association of Great Britain
Shirley Institute (cotton, silk and man-made fibres Research Association)
Shoe and Allied Trades Research Association
Timber Research and Development Association
WIRA (formerly Wool Industries Research Association)

Visits to companies in Northern Ireland under the Industrial Energy Thrift Scheme are being carried out for the Department of Industry by the Fuel Efficiency Service and the Industrial Science Division of the Northern Ireland Department of Commerce.

Additionally, the research associations draw on fuel consultants to carry out visits to companies under the Industrial Energy Thrift Scheme drawing from a list of 264 consultants supplied by the Energy Unit.

The total budget on the schemes is £1¾ million.

Assistance in the Northern Region

Ron Lewis (Carlisle) referred to a recent statement of the Northern Industrial Development Board, and asked if the Secretary of State for Industry intends to allocate some £10 million to the Northern Region for the creation and assistance of jobs. He also asked for details of the Cumbrian firms involved and the number of new jobs expected as a result.

Mr Cryer answered: 'The Northern Industrial Development Board announced on 10 March that it had recommended the granting of some £2 million in regional selective assistance. This recommendation has been accepted. Three out of the 14 projects involved are in Cumbria; they account for about £70,000 worth of financial assistance and are expected to give rise to more than 40 new jobs. The assistance referred to in this announcement accounts for only a small part of the assistance granted in the north. Total expenditure in 1975/76 on regional preferential assistance to industry in the Northern Development Area was some £185 million.'

Waste paper

Sir John Hall (Wycombe) asked for the tonnage of wastepaper imported and exported in the years 1975 and 1976, respectively.

Mr Cryer gave the figures as follows:

Tonnes

	1975	1976
Imports	23,630	100,625
Exports	66,615	54,929

Selective import controls

Anthony Grant (Harrow Central) asked the Secretary of State for Trade, which industries he is considering to subject to selective import controls.

'The government is ready to use temporary selective import controls to protect any normally viable industry which is suffering serious injury as a result of increased imports,' said Mr Dell.

Steel

John Ellis (Brigg and Scunthorpe) asked for the latest figures for import and export of steel.

Mr Meacher told him, 'In the 12 months ending February this year, 4.0 million metric tons of ingots, semi-finished and finished steel were imported and 3.6 million metric tons exported.'

Vehicle bulbs

Edwin Wainwright (Dearne Valley) asked 'How many light bulbs of the type used in motor car headlamps were imported during each of the past four years?'

Mr Meacher said: 'Imports of all vehicle bulbs not exceeding 28 volts were 22, 28, 34, and 49 million respectively for the four years to 1976.'

Cotton textiles

Ronald Atkins (Preston North) asked what percentage of the home market for cotton textiles is supplied by foreign imports; and for a comparison with the previous percentages over the last 20 years given at five-year intervals.

Mr Meacher replied: 'It is estimated that the share of the home market for cotton yarn (in terms of weight) supplied by foreign imports in 1976 was 25 per cent for cotton cloth (in terms of area) it was 62 per cent. The comparable figures for 1959 were 4 per cent and 31 per cent respectively.' Mr Meacher gave the following figures for intervening years.

	Cotton yarn (in terms of weight)	Cotton cloth (in terms of area)
1961	8%	39%
1966	7%	39%
1971	12%	48%

Figures before 1959 are not comparable with those for later years.

Scotch whisky

Jim Craigen (Glasgow, Maryhill) asked if representations have been made to the French Government about discriminatory taxation measures against Scotch whisky.

'We have made repeated representations to the French authorities concerning the increases in duty on Scotch whisky that came into effect on 1 February and which have exacerbated the discriminatory treatment of Scotch whisky that existed prior to that date,' said Mr Meacher. 'These representations were in addition to the proceedings initiated by the European commission against France on the same subject. The commission is continuing with its article 169 procedure and in December 1976 sent France a reasoned opinion in which the commission took account of the exacerbation of discriminatory treatment.'

Trade with EEC

Neil Marten (Banbury) asked: 'What is the visible trade deficit with the EEC on a balance of payments basis for the quarter December 1976 and January and February, provisional, 1977 expressed on a yearly basis?'

Mr Meacher answered: 'Figures of visible trade with the EEC on a balance of payments basis are compiled only for calendar quarters. The latest available information relates to the fourth quarter of 1976, in which the UK's visible deficit with the EEC was £2,296 million at an annual rate. Our crude trade deficit with the EEC in the same period was £2,468 million at an annual rate, and in the three months December 1976-February 1977 was £2,500 million at an annual rate.'

Ministers

Department of Industry

Secretary of State: Eric Varley
Ministers of State: Alan Williams
Gerald Kaufman
Parliamentary Under-Secretaries of State: Robert Cryer
Leslie Huckfield

Department of Trade

Secretary of State: Edmund Dell
Parliamentary Under-Secretaries of State: Michael Meacher
Stanley Clinton Davis

Department of Prices and Consumer Protection

Secretary of State: Roy Hattersley
Minister of State: John Fraser
Parliamentary Under-Secretary of State: Robert Maclennan

Mr Marten also asked for a statement about trade with the EEC in agricultural products.

Mr Meacher answered: 'Trade in agricultural goods with the EEC countries is developing steadily in both directions. In the four years 1972 to 1976 our exports of food and live animals to these countries rose nearly four times in value, from £150 million to £570 million, and our imports from them rose by just over three times from £650 million to £1,994 million.'

Exports of manufactures

Bryan Gould (Southampton, Test) asked: 'Are exports of manufactures rising faster or more slowly than the exports of manufactures by EEC countries as a whole?' He also asked for figures relating to Germany, Japan, France and the United States individually.

Mr Meacher said: 'The availability of information on exports of manufactures by the individual main manufacturing countries varies. Information on value, some of which is still provisional, is available for the first half of 1976 for all the countries covered in the question, but figures for EEC relate to the original six member countries (exports of manufactures by Ireland and Denmark are comparatively small). Between the first halves of 1975 and 1976, the dollar value of exports of manufactures by the United Kingdom increased slightly faster than those of the original EEC and faster than France, but more slowly than for Japan, United States and the German Federal Republic. The picture remains the same for the individual countries for a comparison based on the first three quarters of 1975 and 1976, but complete information for the third quarter of 1976 for the EEC is not available. The latest information is published in table 13, page 656, of the 11 March issue of *Trade and Industry*. The table also contains information on the volume of exports of manufactures by the main manufacturing countries, although, generally, this is less up-to-date than the value figures.'

Anglo-Soviet line of credit

Peter Blaker (Blackpool South) asked how much of the Anglo-Soviet line of credit arranged in 1975 had been taken up at the latest available date and Frank Hooley (Sheffield, Heeley) wanted to know what major contracts had been secured by British companies for the supply of goods or equipment to the USSR under the line of credit.

Mr Dell replied: 'Signed contracts concluded within the terms of the Anglo/Soviet Agreement in 1975 total £188 million. Other major contracts are under negotiation and I have every expectation that more contracts will be concluded.'

'It is not customary to identify the contracts placed under this agreement.'

BOTB outward missions

Michael Morris (Northampton South) asked if the BOTB's policy now allows a second company representative on outward missions but only where that representative is a shop floor trade unionist working in the applicant company.

Mr Meacher replied: 'The board's grant is limited to one representative per company but should the company see advantage in also including a shop floor representative, a second grant is offered. This does not necessarily mean that a company could not send additional representatives at its own expense, but this would be a matter for discussion with the trade association or chamber of commerce organising the mission.'

Safety at sea

James Johnson (Kingston upon Hull West) asked about plans for further legislation regarding safety at sea.

Mr Clinton Davis replied that a short bill to permit early ratification of the Safety of Life at Sea Convention 1974 had been introduced into the House of Lords. A longer Merchant Shipping Bill covering such matters as discipline on board ship, safety standards, pilotage, limitation of damages paid to seafarers and carriage of passengers was being prepared and might be introduced in the next session.

Aircraft noise

Sir George Sinclair (Dorking) asked for an estimate of the number of people affected by noise at Gatwick as measured by the population living within the 35 noise number index contour at the following dates: 1970, and 1975; and the estimate for 1980.

Mr Clinton Davis replied that NNI contour calculations were not prepared for 1970, but, using 1972 instead, the comparative figures were:

	Thousands
1972	30
1975	34
1980	61

The 1980 estimate assumes a passenger throughput of 10 million and 106,000 aircraft movements.

Bermuda Agreement

Tom Arnold (Hazel Grove) asked: 'What further progress has been made on re-negotiating the Bermuda Agreement?'

Mr Dell said: 'The fourth round of negotiations for a new Air Services Agreement was held in London from 28 February to 11 March. Some progress was made towards agreement on the methods of regulating capacity on North Atlantic services and establishing tariffs. The negotiations will be resumed in Washington on 28 March.'

William Shelton (Lambeth, Streatham) asked: 'What progress has been made in bringing the USA to accept Skytrain services as part of the Bermuda Agreement?'

'On 18 February our embassy in Washington formally asked the US government to issue an operating permit to Laker, in accordance with the Bermuda Agreement,' said Mr Dell. 'However, as I informed the House on 14 February 1977, I envisage negotiating a special arrangement with the United States to cover the operation of Skytrain instead of including it in the new Air Services Agreement.'

Price Code and the Consumer Credit Act

David Mitchell (Basingstoke) asked for a table showing the current number of civil servants and the current annual cost to public expenditure of administering: (a) the Price Code, and (b) the Consumer Credit Act; and the estimated cost to industry and commerce of seeking to comply with these and the regulations made under them.

Mr Maclennan said: 'The Price Code is administered by the Price Commission. I understand that their staff time and costs cannot readily be apportioned between the administration of the Price Code and the commission's other functions. At the beginning of March 1977 the commission had in total a staff of 660 and its grant for the financial year 1976/77 is £4.851 million.

'At the beginning of March 1977 120 staff were employed in the Office of Fair Trading in administering the Consumer Credit Act. The cost for the financial year 1976/77 is estimated to be £1.2 million; the Director General of Fair Trading is required to cover the normal expenses of his functions under the act from the licence fees that he charges. In addition local authorities will incur some expenditure in enforcing the act. It is not possible to estimate the cost to industry and commerce of compliance.'

Helsinki Final Act

James Lamond (Oldham East) asked the Secretary of State for Energy what action he has taken to implement the proposals in the Helsinki Final Act to organise co-operation between the signatory powers in the use of energy resources, including petroleum, natural gas and coal and the rational use of power stations.

Anthony Wedgwood Benn, Secretary of State for Energy, said: 'The Final Act of the Helsinki Conference on Security and Co-operation in Europe considers that the field of energy resources, in particular petroleum, natural gas and coal, is suitable for strengthening long-term economic co-operation, and that there is the possibility for joint projects including the exchange of electrical energy within Europe with a view to utilising the capacity of electrical power stations as rationally as possible. As emphaissed in the Final Act there is already much work done by relevant international organisations and it was the wish of all signatories to take advantage of the possibilities offered by these organisations, and particularly by the United Nations Economic Commission for Europe (ECE) for giving effect to the provisions of the final documents of the conference. The UK already participates fully in international co-operation in the areas mentioned and HMG has been co-operating with the Secretariat of the ECE in its efforts to pursue further international collaboration on suitable projects.'

Energy Survey Scheme

Mr Rost asked for a list of those organisations accepted by the Department of Energy as eligible to claim grants under the Energy Survey Scheme.

Dr John Cunningham, Parliamentary Under-Secretary of State, Department of Energy, said: 'The Energy Survey Scheme is open to all organisations in the industrial, commercial and public sectors on the basis of one grant per site. Only the domestic sector is excluded.'

Energy Saving Loan Scheme

Mr Rost asked for a progress report on the Energy Saving Loan Scheme.

Dr Cunningham said: 'The review of the Energy Saving Loan Scheme, including its extension to the commercial sector, is in an advanced stage and we hope to be able to make an announcement fairly soon. Thirty-four applications have so far been received of which 21 were subsequently withdrawn. Three loans totalling £97,000 have been made to date and 10 are currently under consideration. The present rate of interest is 14 per cent.'

Energy Quick Advice Service

Mr Rost asked for information about the Energy Quick Advice Service.

'We expect the Energy Quick Advisory Service to be launched within the next three months,' said Mr Cunningham. 'Until negotiations are further advanced, it is not possible to indicate the number of consultants who are likely to be involved in operating this service on behalf of the department or to give an estimate of its cost. The service will cover all sectors other than the domestic sector and will provide free advice on straightforward problems.'

Offshore oil and gas

Ian Campbell (West Dunbartonshire) asked: 'What steps is the Department of Energy taking to make known to UK industry the results of research supported by the department and directed at improving the efficiency and safety of exploration and exploitation of offshore oil and gas?'

Dr J. Dickson Mabon, Minister of State, Department of Energy, said: 'My department already publicises non-confidential reports on this subject through the *R and D Abstracts* of the Technology Reports Centre and also directly to UK firms known to be interested.

'It is now supporting a small editorial unit in the Construction Industry Research and Information Association (CIRIA) to produce a free quarterly newsletter, *Offshore Research Focus*, giving news of research in progress supported by the Department of Energy. The newsletter is aimed primarily at scientists, technologists and engineers interested in developments in the UK offshore industry. The first number is issued today and copies have been placed in the libraries of both Houses.

'CIRIA will also publish on behalf of the Department of Energy interim reports of specific projects in hand, and guides to civil engineers describing laboratory work distilled from the research supported by my department.

'It is hoped that, through this new publishing initiative, industry will be kept informed with the minimum of delay, of developments in this vitally important area of offshore technology.'

Tuesday, 22 March

Imports of Swedish dump trucks

Michael Mates (Petersfield) asked: 'What is the total value and number of imports from Sweden of articulated dump trucks for the last convenient 12 months period?'

Mr Meacher said that articulated dump trucks are not separately distinguished in the overseas trade statistics. He gave the following information for those categories of dumper where there have been imports from Sweden in the 12 months ending January 1977:

	Value (£'000 cif)	Number
Dumpers with a cylinder capacity less than 10,000cc and a pay load exceeding 3,500kg	1,601	68
Dumpers with a cylinder capacity of 10,000cc or more and a pay load exceeding 3,500kg	1,444	54

Assisted areas

Mr Grant asked for information on 'the areas that have become assisted areas for the purposes of regional policy or whose status has been raised to that of development areas or special development areas since 1964'.

Mr Cryer said: 'The Industrial Development Act 1966 replaced the former relatively small development districts by wider continuous development areas. Initially they covered most of Scotland, most of Wales, the northern region, north Yorkshire, Furness, Merseyside, most of Cornwall and north Devon. Special development areas were first introduced administratively in 1967 and on a statutory basis in 1972; intermediate areas were established in 1970 following the report of the Hunt Committee. The assisted areas designated since 1966 have been:

1970: Intermediate areas[1]
North east Lancashire
Yorkshire Coalfield
North Humberside
Notts/Derby Coalfield
South east Wales
Plymouth
Leith

1971: Intermediate areas[1]
Bridlington and Filey
Edinburgh and Portobello
Okehampton and Tavistock
Oswestry

1972: Intermediate areas[1]
The rest of the Yorkshire and Humberside region
The rest of the north west region
North Wales
Extension of south east Wales intermediate area

Special development areas[2]
Parts of Scotland, Wales, north east England and west Cumberland

1974: Intermediate areas[1]
Chesterfield Travel to Work Area (TTWA)
Development areas[3]
Edinburgh, Leith and Portobello
Cardiff TTWA

Special development areas[4]
Merseyside
North west Wales

[1] Formerly non-assisted areas.
[2] Formerly development areas in receipt of additional assistance and known administratively as special development areas.
[3] Formerly intermediate areas.
[4] Formerly development areas.

'The numbers of employees affected by the changes in 1974 were:

	Employees in area (employed and unemployed) Mid 1975 Nos ('000s)
Chesterfield TTWA	80
Edinburgh, Leith, Portobello	234*
Cardiff TTWA	182
Merseyside special development area	757†
North west Wales special development area	46
Total	1,299

* Mid 1974 figure.
† Excludes Skelmersdale new town as although it is included in the special development area, it forms part of the Orkskirk TTWA, the rest of which is within the north west intermediate area

Mr Grant also asked what was the population in special development areas and development areas, and intermediate areas in 1976, 1970 and 1964, respectively; showing the figures as percentages of the total population in the years in question.

'I regret that it is not possible to provide estimates of population except at disproportionate cost, but the table below shows the numbers of employees in the areas concerned,' said Mr Cryer. 'Development areas were not introduced until 1966 and statistics for 1976 are not yet available. Figures are therefore given for the years 1966, 1970 and 1975. There have been no boundary changes since 1975.'

EMPLOYEES (EMPLOYED AND UNEMPLOYED) IN THE ASSISTED AREAS AT MID-YEAR(a)

('000s)

	1966(b)	1970(b)	1975(b)
Development and Special Development Areas			
Number of employees	4,943(c)	4,861	5,366
(Percentage of GB total)	(21.0)	(21.2)	(23.3)
Intermediate Areas(d)			
Number of employees	—	1,503	4,640
(Percentage of GB total)	—	(6.6)	(20.2)

(a) Boundaries as at mid-year in the specified year.
(b) Statistics for 1966 and 1970 are based on insurance card counts; those for 1975 on the Census of Employment.
(c) Relates to Development Areas only, as the Special Development Areas had not then been introduced.
(d) First created in 1970.

Industrial development in west midlands

Peter Walker (Worcester) wanted to know the number of industrial development certificates applied for in the west midlands region in each of the calendar years since 1970, together with the numbers that have been rejected.

Mr Cryer gave the following information covering projects of 15,000 sq ft and over:

	No of IDCs issued	No of IDCs refused
1970	177	36
1971	123	10
1972	184	11
1973	221	9
1974	145	9
1975	136	5
1976	179	Nil

Small firms

Andrew Welsh (South Angus) asked what specific steps are being taken to encourage the growth and expansion of small firms in England.

Mr Cryer said: 'Small firms in England are eligible for a wide range of government assistance which is generally available throughout the UK to encourage the growth and expansion of firms of every size. In particular, most of the sectoral schemes in operation under section 8 of the Industry Act 1972 contain special provisions for assistance towards the cost of consultancy studies for small firms; in two schemes, the minimum size for investment projects has been reduced; and 108 individual terrace or nursery units for occupation by small firms are being built. Small firms can also call on the services of the small firms information centres at any stage of their development, and those located in the south west region may also take advantage of the experimental counselling scheme which is available there.'

Nationalisation of aerospace and shipbuilding companies

Robert Adley (Christchurch and Lymington) asked for details of the number of people employed in the aerospace and shipbuilding companies to be nationalised.

Mr Huckfield gave the information as follows:

Company	Employment	Location
British Aircraft Corporation	33,783 (as at December 1976)	Filton, Fairford, Weybridge, Hurn, Preston, Warton Samlesbury, Stevenage, Bristol
Hawker Siddeley Aviation	25,800 (as at December 1976)	Brough and Holme, Bittleswell, Lutterworth, Hamble, Hatfield, Kingston, Dunsford, Middleton, Woodford, Chester
Hawker Siddeley Dynamics	6,731 (as at November 1976)	Hatfield, Stevenage, Lostock
Scottish Aviation	1,358 (as at December 1976)	Prestwick, Cumnock

Company	Employment (all second half 1976)	Location
Swan Hunter Group	13,194	Wallsend
	2,080	North and Southshields
	420	Goole
Scott Lithgow Ltd	7,710	Greenock (including Port Glasgow and Bowling)
Sunderland Shipbuilders Ltd	4,515	Sunderland
Austin and Pickersgill Ltd	2,794	Sunderland
Govan Shipbuilders Ltd	5,618	Glasgow
Cammell Laird Shipbuilders Ltd	5,400	Birkenhead
Yarrow (Shipbuilders) Ltd	5,400	Glasgow
Vosper Thorneycroft	7,058	Southampton and Portsmouth
Robb Caledon Shipbuilders Ltd	1,039	Dundee
	802	Leith
Vickers Ltd	14,139	Barrow-in-Furness
Brooke Marine Ltd	905	Lowestoft
Hall Russell and Co Ltd	971	Aberdeen
Appledore Shipbuilders Ltd	816	Appledore

Consumer electronics industry

Edward Lyons (Bradford West) asked: 'What was the total number of persons employed in the UK consumer electronics industry at the end of each half year in 1974, 1975 and 1976?'

Mr Cryer said that separate statistics for the consumer electronics industry were not available. Information relating to Minimum List Heading 365 of the Standard Industrial Classification, including the manufacture of gramophone records and tape recordings in addition to electronic consumer goods, was as follows:

June 1974	63,500
December 1974	59,500
June 1975	54,900
December 1975	51,800
June 1976	49,500
December 1976	51,600

'What was the total number of persons employed in the electronic components industry in the UK at the end of each half year 1974, 1975 and 1976, respectively?' asked Mr Lyons.

Mr Cryer said that the numbers employed in the radio and electronic components industry as defined in Minimum List Heading 364 of the Standard Industrial Classification were:

June 1974	153,300
December 1974	147,300
June 1975	128,400
December 1975	127,300
June 1976	124,400
December 1976	128,500

'What percentage of UK components are used in television sets manufactured in the UK by British and Japanese companies, respectively?' asked Mr Lyons.

'Statistics of UK-made electronic components are not classified according to their end-use,' said Mr Cryer. 'Many (for example transistors, resistors, capacitors and switches) are of general application throughout the electronics field, and there is no way in which the proportion used in the manufacture of television sets could be deduced. Similar considerations apply to imported components.'

Television manufacture in UK

Mr Lyons asked how many television sets were made by manufacturers in the United Kingdom in each complete year since 1973; and, of these, how many, respectively, were colour, table monochrome and portable monochrome sets.

Mr Cryer gave details of UK manufacturers' deliveries of television sets in the years specified as follows:

Thousands

	1973	1974	1975	1976
Colour	2,125	1,947	1,584	1,396*
Monochrome	1,013	669	538	519*

* Provisional.
Source: Business Monitor, PQ 365.2.

Mr Cryer explained that official figures of table monochrome and portable monochrome sets are not collected, but information from trade sources suggests that portable sets accounted for about 25 per cent of the monochrome sets delivered in 1973, 50 per cent in 1974 and 60 per cent in 1975 and 1976.

'What was the total number of television sets exported by UK companies in each year since 1971?'

Mr Cryer gave total UK exports as:

	Thousands
1971	61
1972	74
1973	110
1974	274
1975	184
1976	353

Mr Lyons asked which Japanese companies had indicated an interest in establishing colour television manufacturing facilities in the UK.

'One Japanese company is currently interested in setting up colour television manufacturing facilities in the UK,' replied Mr Cryer. 'My department has made it clear that such a proposal should achieve the objectives of increasing employment in the UK and of using UK-manufactured components to the maximum extent; and that the product should either be exported or should lead to a reduction of imports or both. These are the criteria which have always been applied to such proposals.'

'Which Japanese companies have colour television manufacturing facilities in the UK; how many are employed by them; and how many television sets did they produce in 1976?' asked Mr Lyons.

Mr Cryer answered: 'Two Japanese companies, Sony (UK) Ltd and Matsushita Electric (UK) Ltd have manufacturing facilities in the United Kingdom. On 22 March 1977 employment at Sony was 496 and at Matsushita was 168.

'Sales returns to the Business Statistics Office are made under the Statistics of Trade Act 1947 the disclosure provisions of which preclude the divulgence of information relating to individual companies without their permission.'

Wednesday, 23 March

HS 146

Mrs Helene Hayman (Welwyn and Hatfield) asked for a further statement on the HS 146 aircraft.

Mr Kaufman's reply is on page 816.

Recycling glass

Mr T. H. H. Skeet (Bedford) asked: 'What percentage of the glass used in the drinks and beverage industry is recycled for re-use; and what steps is the government prepared to take to prevent the waste of this national resource?'

Mr Cryer answered: 'The percentage of glass bottles for beverages which are returnable for reuse varies with the product packaged. It ranges from nil for wine and spirits bottles, 30 per cent for carbonated soft drinks, and 64 per cent for beer and cider to 100 per cent for milk bottles. The Waste Management Advisory Council is giving further consideration to the case for extending the use of returnable bottles. My department, together with the Department of the Environment, maintains a close liaison with the glass container industry in its efforts to increase the reclamation and recycling of waste glass, and to find new applications for waste glass, and will be holding further talks with the industry on these subjects.'

Steel prices

Mr Skeet (Bedford) asked whether the government, in conjunction with the European commission, would be considering a minimum selling price or a minimum reference price for certain steel products, and whether a minimum reference price for specified steel products was sustainable on a voluntary basis without maintaining a system of import licensing; and whether the current situation warranted this approach.

Mr Huckfield said: 'The European commission is considering possible additional measures, which may include setting minimum prices, to supplement those already taken to counter the recession in the steel industry. The commission has still to make firm proposals. It is the case that minimum reference prices could be undermined by imports from third countries. We have made this point to the commission.'

Nationalised aircraft and shipbuilding industries

John Biffen (Oswestry) wanted to know the vesting dates for the nationalised aircraft and shipbuilding industries.

'29 April for British Aerospace and 1 July for British Shipbuilders,' said Mr Huckfield.

Postal price increases

Arthur Lewis (Newham North West) referred to the fact that on 15 March the Price Commission stated that they had not approved the Post Office application for postal increases, and asked on what authority the DPCP issued a statement on 14 March that the commission had agreed upon these increases. He also asked on what date proposals for further price increases in postage rates were officially submitted to the Price Commission; when these were vetted; when the commission announced their decision; and when, and on what authority, the DPCP aecided that these increases were not out of line with the Price Code.

Mr Maclennan stated: 'I regret that I told the House on 14 March that the Price Commission had considered the proposed postal increases and found them in accordance with the price code; and that my rt hon friend did not propose to intervene. As my department's statement made clear, the Price Commission had not yet considered the Post Office application for tariff increases and the question of intervention does not arise at this stage. I wrote to hon members involved in the exchanges to correct the position and I now take this opportunity of informing hon members generally. It is not the practice of the Price Commission to disclose when it receives notifications of intended price increases or to announce its decision on them since announcements of increases are the responsibility of the enterprise concerned.

'When the Price Commission has considered the proposals which the Post Office wish to implement and report to the responsible minister my rt hon friend will have an opportunity to consider the position.'

Retail price index

Mr Neubert asked: 'What has been the cumulative increase in the retail price index in the three years to the end of February 1977?'

'The retail price index increased by 71.2 per cent between 19 February 1974 and 15 February 1977,' said Mr Maclennan.

Retail prices for cheese and flour

Richard Wainwright (Colne Valley) asked for details of the statutory maximum retail prices for cheese and flour during the last two years, indicating the dates on which new limits were introduced.

Mr Maclennan gave the information as follows:

HOUSEHOLD FLOUR PRICES – MAXIMUM IN PENCE PER BAG

Flour	7 Jul 1975	8 Dec 1975	10 Aug 1976	25 Oct 1976	22 Nov 1976	14 Feb 1977
Plain or self-raising (other than strong, wheatmeal and wholemeal):						
1 lb	9	9½	11½	11½	10½	11½
3 lb	24½	24½	26½	26½	29	31
Chupatty (other than batch, brown and wholemeal):						
70 lb or 32kg	£4.00	£4.00	£4.20	£4.50	£4.50	£4.50

CHEESE PRICES – MAXIMUM IN PENCE PER POUND

Cheese	27 Jan 1975	7 Apr 1975	16 Sept 1975	1 Dec 1975	30 Jan 1976	22 Nov 1976	14 Feb 1977
Cheddar (including Dunlop), other than farmhouse or matured produced in New Zealand or in the EEC	48	53	56	59	61	67	75
Farmhouse or matured Cheddar (including Dunlop), produced in the EEC	58	63	66	69	71	77	85
Cheshire, produced in the UK, other than farmhouse or matured	46	51	54	57	59	65	73
Farmhouse or matured Cheshire, produced in the UK	56	61	64	67	69	75	83
Caerphilly, Derby, Double Gloucester, Lancashire, Leicestershire, Wensleydale, White Stilton, produced in the UK (other than farmhouse matured)	48	53	56	59	61	67	75
Edam and Gouda (other than farmhouse or matured)	48	53	56	59	61	67	75

Food prices

Michael Neubert (Havering, Romford) asked: 'What has been the cumulative increase in the food price index in the three years to the end of February 1977?'

'The food index increased by 82.9 per cent between 19 February 1974 and 15 February 1977,' said Mr Maclennan.

Timber imports

Hamish Watt (Banff) asked for steps to be taken to reduce the import bill of £2,000 million currently being spent on timber.

Mr Cryer answered: 'The import bill for timber and timber products in 1976 was £1,940 million. Of this total, £827 million represented imports of timber; ie softwood, hardwood, plywood, particle board; and some simply worked wood. Timber is an international commodity in which the United Kingdom is not self-sufficient, and the price of which is set by world supply and demand. The Waste Management Advisory Council is considering ways of increasing the use of waste paper, which would reduce our dependence on imported wood pulp. The £23 million Waste Paper Scheme announced by the government on 5 June 1976 has in part the same objective.'

Thursday, 24 March

BSC development strategy

Roy Hughes (Newport) asked for an estimate of the cost of the British Steel Corporation's development strategy.

Mr Varley answered: 'The corporation's development strategy as set out in the 1973 white paper was originally estimated to cost £3,000 million at 1972 prices.

'The development of Port Talbot being undertaken later than originally envisaged, the lowering of forecasts of future steel demand, and increases in capital costs have all contributed to a series of modifications in the timing and detailed content of the strategy, although its main components have remained unchanged.

'Up to the end of 1975/76 the corporation had spent £1,226 million on the strategy. The corporation's five year investment programme published in Vol. II of the Government's Expenditure Plans (Cmnd 6721-II) of February 1977 would involve an expenditure of £3,446 million from 1976/77 to 1980/81 at 1976 survey prices, ie a total of £4,672 million.

'The details of the continually developing strategy for later years are not yet settled and it is not therefore possible to give precise estimates of costs beyond 1980/81.'

Industrial strategy

Kenneth Clarke (Rushcliffe) asked: 'What action has the government taken following the decisions announced at the NEDC meeting on 2 February 1977 to concentrate assistance on five key industrial sectors?

Mr Cryer said: 'The government's proposal, which was approved by the National Economic Development Council meeting on 2 February, was to seek to bring various policy instruments to bear in a concentrated way on the five sectors to exploit opportunities and eliminate constraints identified by the sector working parties. Officials have subsequently held discussions in the Industrial Strategy Staff Group with the other parties involved in the industrial strategy programme on the ways in which this initiative should be pursued. My hon friend the minister of state or I have attended meetings of four of the five sector working parties concerned so as to identify the particular issues which should be pursued and I hope to meet the fifth working party next week. Talks are now being planned with a number of individual companies in each sector.'

London Graving Dock and Green and Lilley Weir

John Ovenden (Gravesend) asked 'What consultation has taken place with the staff of London Graving Dock concerning the negotiations over the disposal of the company's ship-repairing interest to British Shipbuilders; and will representatives of the staff be invited to participate in the current negotiations, and what approaches have been received from London Graving Dock concerning the possible acquisition of their ship-repair interests.

Dr Oonagh McDonald (Thurrock) asked similar questions in regard to Green and Lilley Weir.

Mr Huckfield answered: 'Following my rt hon friend's statement to the House on 2 March negotiations are under way between the Organising Committee for British Shipbuilders and P & O on the possible acquisition of the ship-repairing interests of R. H. Green and Silley Weir at London and Falmouth. London Graving Dock are engaged in similar negotiations on the possible acquisition of their shiprepairing interests. I understand that in both cases the companies have kept their staff informed.'

IDCs refused

Mr Grant asked 'What was the number of industrial development certificates, for developments of less than 20,000 sq ft, refused in the Greater London area and the South East Economic Planning Region, respectively, in the last two years?'

Mr Cryer said that for projects of up to 20,000 sq ft, the number of IDCs refused was as follows:

	1975	1976
Greater London	1	1
South East Economic Planning Region (including London)	7	3

Note:
On 1 May 1976 IDC exemption limits were raised from 5,000 sq ft to 12,500 sq ft in the South East Region.

Inquiry into retail trading

Michael Marshall (Arundel) asked 'How many companies are involved in the Business Statistics Office's inquiry into retail trading for 1977; and what is the total cost of this exercise to date?'

Mr Meacher replied: 'About 30,000 letters have been sent out giving advance notice of the inquiry, but it is hoped that the number of forms which will have to be completed will be somewhat lower. The cost incurred by the Business Statistics Office to date is £14,000. I am examining how far the sampling fractions for 1977 can be reduced without prejudice to the required degree of accuracy.'

Pollution at sea

John H. Cordle (Bournemouth East) asked 'What progress is being made in consultation with the shipping industry and other interested parties in overcoming such technical problems as need to be overcome in order that satisfactory legislation to implement the International Convention for the Prevention of Pollution from Ships 1973?'

Mr Clinton Davis said that at its sixth session in November/December last year the Marine Environment Protection Committee of Imco finalised work on guidelines to determine the adequacy of shore reception facilities for oily wastes from ships; a specification for oil/water separating equipment and oil content meters for use in ships; standards and guidelines for sewage treatment plant on board ships.

The committee considered and agreed a paper submitted by the UK setting down the outstanding problems requiring solution before the convention can be implemented: and accepted that these now be regarded as the committee's prime objective. Various countries including the UK are carrying out intersessional work in readiness for the next meeting of the committee from 20 to 24 June.

Food prices

Mr Arthur Lewis wanted to know the price of one pound of butter, cheese, sugar, beef (topsiae), pork (leg fillet half), bacon (middle cut plain), a standard white sliced loaf, one dozen standard eggs, and a three pound bag of flour on the date of accession to the Common Market and at the latest date; and to what extent these price rises are due to Great Britain's entry into the EEC.

Mr Maclennan listed the average retail prices for these items at 12 December 1972, which was immediately before our entry into the EEC and 15 February 1977 being the latest date for which information is available.

Pence

	12 Dec 1972	15 Feb 1977
Butter, Danish, per lb	25.2	59.5
Cheese, Cheddar, per lb	32.0	59.5
Sugar, granulated per kilo	9.6 (1)	25.5
Beef, home-killed, silverside, without bone, per lb	59.5	113.4
Pork leg, per lb	39.8	68.8
Bacon, middle cut, smoked, per lb	39.1	81.7
Bread, white, 1¾lb, wrapped and sliced, per loaf	10.4	19.8
Eggs, standard, per dozen	22.2	51.0
Flour, self-raising per 3lb	12.1	23.6

(1) Converted from 'per 2 lb'.

Mr Maclennan continued: 'It is not possible to isolate the extent to which EEC entry has been responsible for food price increases because it is not possible to estimate how prices would have moved had we not joined the EEC in January 1973. For example, it is clearly difficult to estimate the price which might in those circumstances have been negotiated with the governments concerned for commonwealth sugar or New Zealand dairy products.'

Inflation rate

Peter Viggers (Gosport) asked 'What was the rate of increase of retail prices on 6 March 1974, or the nearest convenient date thereto, and on 6 March 1977, or the nearest convenient date thereto, taken in both cases at the annual rate?'

'The annual rate of inflation was 13.2 per cent at 19 February 1974 and 16.2 per cent at 15 February 1977,' said Mr Maclennan.

Funeral charges

Michael Ward (Peterborough) asked when the Price Commission's Report on Funeral Charges would be published.

Mr Maclennan said: 'The report is being published today. It is a valuable report on a matter of deep concern to many and I am grateful to the Price Commission for the care and sensitivity with which they have carried out their study.

'The commission's principal finding is that funeral costs in this country are low compared with elsewhere, and price rises have been in line with those of prices generally and substantially less than the increase in earnings. This is an important reassurance to the bereaved.

'Profits of smaller businesses, and of coffin manufacturers, were found to be reasonable and even modest, but the commission suggested that the profits of larger companies offered some scope for price restraint. I shall put this proposal to the interests concerned and will make a further statement on the subject when I have their response.

'Other recommendations in the report concern the practices of funeral directors. The report suggests that funeral directors should display their prices, give written estimates and set up a comprehensive complaints procedure. The Director General of Fair Trading has been invited to consider the negotiation of a code of practice on these points with the trade.

'The commission note that in North America – where funeral costs have aroused great controversy – there are voluntary and non-profit making memorial societies. While we do not have the North American problem, the commission suggest that memorial societies could be established here also. I commend this suggestion to the initiative of those who consider that simple, inexpensive but dignified funerals should be encouraged, and who want to do something about it.'

Proposed Pilkington – UKO merger

Mr Gould asked the Secretary of State for Prices and Consumer Protection when he expected to publish the report of the Monopolies and Mergers Commission into the proposed merger between Pilkington Brothers Ltd and UKO International Ltd.

Mr Fraser's reply is on page 818.

Friday, 25 March

NEB loan to British Leyland

George Rodgers (Chorley) asked when the Secretary of State for Industry proposed to direct the National Enterprise Board to make the loan of £30 million to British Leyland Ltd authorised by parliament on 3 August 1976.

Mr Varley said: 'I have directed the National Enterprise Board, under section 3 of the Industry Act 1975, to exercise my powers under section 8 of the Industry Act 1972 for the purpose of making a loan not exceeding £30 million to British Leyland Ltd as approved by parliament on 3 August 1976. I have laid a statement to that effect before parliament today in accordance with section 3 of the Industry Act 1975.'

NEB shares in Thwaites and Reed

Michael Grylls (North West Surrey) asked 'What proportion of the equity in Thwaites and Reed does the NEB intend acquiring; how many shares does this entail; what is the cost of this acquisition; and what is the net current asset value of the shares?'

Mr Huckfield answered: 'The NEB have announced that they have agreed to subscribe for 240,000 ordinary shares in the company at a cost of £240,000, this being equivalent to 90 per cent of the equity. The net current asset value of the shares is a matter for the NEB and the company.'

Steel making capacity

John Biffen (Oswestry) asked 'What information has been supplied to Commissioner Davignon concerning expected reductions in British steel making capacity which will counter balance the expansion of the Shotton and Port Talbot steelworks?'

Mr Huckfield replied that the minister of state informed Commissioner Davignon on 21 March about government policy on the development of the British steel industry and plant closures set out in the Beswick reports of 4 February and 6 August 1975 and in the secretary of state's statement to the House on 16 March on Port Talbot and Shotton.

Pollution at sea

Mr Cordle asked for a list of 'every outstanding technical problem which requires to be overcome before the 1973 International Convention for the Prevention of Pollution from Ships can be fully implemented.'

Mr Clinton Davis said: 'The principal problems concern the following.' The development of suitable oil content meters and oil/water separating equipment in accordance with the specification now agreed; the provision of adequate port reception facilities for oil and chemical residues; the relationship between annexes I and II in so far as it affects petroleum product and clean oil tankers carrying certain chemicals, and the discharge requirements for effluent containing certain noxious liquid substances.

'There are a number of technical points, both additional and related to the above problems, described in a paper which I have sent to the hon member.

'The UK is doing all it can within its available resources to help in resolving these problems in consultation with other interests in this country, bilaterally and internationally under the aegis of Imco – as it did in helping to secure the coming into force of the important 1969 amendments to the current 1954 convention.'

Publications

Civil Air Transport in Europe. British Airways. (122 pages. British Airways European Division, PO Box 7, Bealine House, Cavendish Avenue, Ruislip, Middlesex HA4 6QL. 1977. £10.00.) This document was prepared for the British Civil Aviation Authority's public meeting on European air fares which was convened in January of this year. The source material on which much of the document draws emanates from such bodies as: Association of European Airlines (AEA), British Airways (BA), British Civil Aviation Authority (CAA), International Air Transport Association (IATA), International Civil Aviation Organisations (ICAO), Airline Users Committee (AUC), as well as a major US airline. The intention of this volume is to present the fundamentals of recent research undertaken into the cost/pricing aspects of the economics of air transport operations. The emphasis is on the new and developing areas of the subject with the consequential hope that the resulting information will prove of world wide value to the international civil air transport industry. The distinguishing characteristic of this collection of papers lies in its form of presentation: clarity of exposition has been achieved by the extensive use of graphics; charts, tabulations, diagrams etc, together with an accompanying text in which the display information is amplified in as lucid a form as possible. The publication consists of two complementary parts: the first is an eight part attempt to survey the essential topics of current civil air transport by means of sectional dissertations, the headings of which are designed to answer fundamental questions arising from the subject. The eight headings cover, size, markets, objectives, environment, product policy, pricing policy, performance and innovation. The second part of the volume comprises five appendices containing data and report information drawn from many relevant studies emanating from the authoritative organisations noted above. Appendix one reproduces two press notices on air fares. The second appendix contains four sections: a note on airline economics; a report on cost relationships, entitled *Cascade*; a note on airline productivity, and a joint working group report, headed *Fair Fares*. Appendix three is a note on international price comparisons, followed by appendix four which consists of the Anglo-American study on air fares and airline costs, in which data is presented from an unidentified US airline. The final appendix is a reprint of British Airways European Division's Report for the Board of Management on marketing strategies, from which commercially sensitive information has been deleted. This compilation will be of value to anyone concerned with the economics of air transport pricing, and its format gives it a quick reference function without in any way diminishing the scope and depth of the research results contained within.

ICC Business Ratio Report: Chemical Manufacturers. An industry sector analysis. Inter Company Comparisons Ltd. (78 pages. ICC Business Ratios, 81 City Road, London EC1Y 1BD. 1977. £36.00.) This is one of the latest publications in what is now a well established and authoritative series of reports, the prime object of which is to present the relationships between sets of financial data with which comparisons can be made between companies' performance. The ratio format especially facilitates comparisons between companies of disparate size, and illustrates broad aspects of financial and managerial performance. A full analytical description of the methodology, structure and design of the series can be found in the review of three previous titles in the series in *Trade and Industry, 4 February* 1977, *pages* 302-303. This particular issue is concerned with the increasingly export orientated chemical manufacturers industry. *Chemical Manufacturers* analyses and compares the performances of 60 of the leading companies in the industry over a three year period up to 1 April 1976. As a general yardstick of comparison the average company performance is, of course, of interest: the essential part of the report, however, is the individual company information. It is from this vantage point that the most meaningful comparisons can be made; especially those which highlight the effects of differences in efficiency, structure and products. A further virtue of both this and other reports in the series is the wealth of up-to-date information contained in the text which is of practical value in itself, quite apart from the primary comparative function.

Selling to the Motorist: petrol forecourts as retail outlets in the UK. EIU Special Report no. 39. Economist Intelligence Unit. (63 pages. Economist Intelligence Unit Ltd, Spencer House, 27 St James's Place, London SW1A 1NT. March 1977. £20.00.) The importance of this study is that it looks at an area of retailing which is undergoing rapid change and evolving in different directions. This theme of implicit change and development is reflected in the first chapter, which is devoted to both the evolution of the petrol station and its probable future. This is followed, in chapter two, by an analysis of the factors influencing petrol outlet sales, and a note on the trend towards sales diversification. Chapter three discusses the UK retail petrol market, particular attention being focused on the price cutting war of 1975 and 1976. The study then develops, in some detail, the diversification trends already noted in chapter two. The particular aspect of diversification examined is the expansion of those forecourt operations which encompass a range of services not traditionally associated with petrol stations. It is important to note, therefore, that this investigation excludes new and used car sales, captive part sales and repair shop activities: all of which have been traditionally associated with garages. Conversely, these elements in this part of the report include forecourt shops, which are undergoing rapid expansion currently, car washes, vending machines, tyre and battery fitting and many other commodities and services. Specifically, chapter four deals with garage shops and opens with a section on accessory shop potential. Other topics explored in this chapter include an assessment of the possibilities for sales of non-motoring items, an extended study of oil companies own-label products and a concluding summary of the considerations relevant to the decision to diversify. Chapter five then turns to an examination of the markets for products currently sold on forecourts. The increasing significance of petrol stations as purveyors of these products is noted, and the consequential growth of the forecourt as a retail outlet in its own right is stressed. Chapter five discusses these developments on a commodity by commodity basis. Ancillary services, their development and potential, form the basis of the survey in chapter six. Both this subject and that dealt with in the previous chapter are considered in the context of falling income from petrol sales; a factor which provides the imperative for the petrol retailer's development of other commodity and service sales. The foregoing six chapters have concentrated on some of the likely developments in the field of forecourt retailing: the final chapter reviews the comments already made and goes on to suggest further changes which may occur in the not too distant future. Some of these can already be identified: for example, the continuing fall in the number of petrol outlets as opposed to the probable increase in high throughput, multiple facility sites. The report qualifies this by stressing the continuing need for the small local station, although this in turn is followed by a note on the probable transfer of location of the local station to city outskirts and away from town centres. A slow down in the growth of self service is predicted but this again is compensated for by the increasing utilisation of the more efficient electronic pumps. A further comment notes that the extent to which the number of company owned sites in the UK fluctuates in the future is, to a large extent, dependent on the actions of government which will result from the report by the Monopolies Commission, publication of which is expected in early 1978. The report closes with the firm conclusion that forecourts will have to sell many more non-motoring items in order to assure their continued commercial viability. This EIU report appears at a time of great change in both the retail industry in general and in the petrol retail side in particular; it is, therefore, a timely contribution to the subject, well illustrated with current data and concisely arranged.

Government sales

Ministry of Defence
Sales by auction

19 April 1977—Miscellaneous stores

Location
Central Ordnance Depot RAOC, Bicester, Oxon

Auctioneers
Midland Marts Ltd (Dept L), 4 Market Hill, Bicester, Oxon OX6 7AL (tel. 08692 2073)

Stores lying at COD Bicester and other depots and comprising clothing and textiles, furniture, vehicles, fork lift trucks, machine tools and a large collection of other miscellaneous items including 4,150 wristwatches.

Catalogues which give details of the lots, conditions of sale, viewing times, etc, are available from the auctioneers from two weeks before and up to the day of the sale, price 20p, postage and packing 10p extra (postal orders only).

'T & I' index inquiries

Readers wanting to know when articles and items of information were published in *Trade and Industry* should consult the published indexes which are issued free to subscribers. For material published in recent months, inquiries of this kind can be made to the Department of Industry Library's indexing section, tel. 01-215 5842. (Alternative no. 01-215 5051).

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ENCIRCLE TI 460 ON PAGE 870 FOR FURTHER INFORMATION

Wembley Auction Sales 1977

5 April 1977

View Days:	Day preceding and morning of sale
Location:	Department of the Environment Property Services Agency Supplies Store India Pavilion Exhibition Grounds Wembley, Middx. Tel. 01-903 2508
Description of Goods:	Office and Miscellaneous Furniture Engineering, Electrical, Canteen, Domestic and Other Equipment
Auctioneers:	Messrs. Fuller, Horsey, Sons and Cassell 52 Bow Lane London EC4M 9ET Tel. 01-248 7954
Catalogue:	Direct from the auctioneer price 10p each

Potential buyers are advised to refer to the official catalogue available direct from the auctioneers price 10p.

ENCIRCLE TI 461 ON PAGE 870 FOR FURTHER INFORMATION

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ENCIRCLE TI 452 ON PAGE 870 FOR FURTHER INFORMATION

European community news

Economic problems dominate Rome talks

Economic problems were the dominant theme of talks by EEC heads of government meeting in the European council in Rome on 25 and 26 March. The council discussed the need to find more effective ways to tackle the serious economic problems which confronted the world, prepared for the Downing Street summit in May, and discussed ways of ensuring that the community itself responded positively to the challenge of unemployment and inflation.

In a Commons statement on 28 March, Prime Minister, James Callaghan pointed out that, as was the custom for the president of the council, he had met first with leaders of the European Trade Union Confederation. They had expressed to him their concern about the problems of inflation and unemployment, which he had reported to the council.

The council had agreed to hold a further tripartite conference in the first half of this year to bring together European governments, employers and trade unions and meantime agreed and published a statement on growth, inflation and unemployment. The council would review progress over this whole area at its meeting in London in June.

Heads of government also reviewed international financing problems and welcomed the efforts of finance ministers to develop a community position for the IMF interim committee at the end of April, Mr Callaghan explained.

They had asked the commission and the European Investment Bank to focus particular attention on measures in three areas: first, to deal with specific employment problems, especially among youth and women; second, to encourage higher levels of investment; and third, to pull the economic performance of member states closer together. The commission had made it clear in Rome that they would be ready to respond with positive ideas.

An area in which all the community countries faced particularly acute difficulties was the steel industry. 'We need short term measures to stabilise the market; and there is a clear requirement for structural reorganisation of the industry throughout the community.' The commission had made a number of proposals, which the European council agreed should be given urgent attention, with a view to getting agreement on common action.

Turning to international affairs, Mr Callaghan said that the council had agreed on the need for a successful conclusion to the north-south dialogue and moved forward an important step beyond the opening position on this subject previously agreed by foreign ministers on 8 March. Ministers had agreed that there should be commodity price stabilisation agreements where appropriate and a common fund. There would also be a study of export earnings stabilisation measures for developing countries and special action for the Conference on International Economic Co-operation (CIEC) on aid.

Ministers had also reviewed developments in EEC trade relations with Japan, and saw a need for further efforts to achieve the growth of trade on a balanced basis, which was the community's aim. 'Trade with Japan raises questions of competition and of market access which are important factors in the community's international trade relations as a whole.'

The council had discussed internal community affairs, including the question of community representation at the Downing Street summit. Ministers had agreed that the president of the council and the president of the commission should represent the community at sessions which discussed questions which fell within the competence of the community.

Finally, Mr Callaghan said, one point which had attracted considerable interest in the Commons was that the commission had confirmed that they would make a full study and report on the idea of a European foundation. There was general agreement with the suggestion of the Belgian and Italian Prime Ministers that it would be appropriate to link this proposal with the 20th anniversary of the signature of the treaty of Rome which the heads of government had celebrated at their meeting.

Direct elections: government confirms commitment

The government's commitment to implementing direct elections in the UK was confirmed by Brynmor John, Minister of State at the Home Office, on 25 March.

Speaking during a debate on direct elections to the European parliament, Mr John explained what was really in dispute was how these aims should best be fulfilled and effected. The government believed that a white paper, the publication of which was imminent, was necessary.

The government had said that it would make no recommendation on the white paper, it would listen to the debate in the

EEC heads of government in Rome on 25 March before the ceremony marking the 20th anniversary of the signing of the treaty of Rome. From left to right French President Valery Giscard D'Estaing, Belgian President Leo Tindemanns, German Chancellor Helmut Schmidt, Dutch Prime Minister Joop Den Uyl, and British Prime Minister James Callaghan. (AP wire photo).

Commons and make its recommendations in the light of a free vote. The government had not said, Mr John emphasised, that at the end of the day there would be no recommendation.

Direct elections raised many important issues including the system of voting and the question of the relationship with, and accountability to, a British parliament.

On the system of elections, the question was basically whether members should be elected on a first-past-the-post system or whether the elections should be on a basis of proportional representation and, if so, upon what system of proportional representation.

The system of voting would have to be decided before the matter could be sent to the Boundary Commissions, as would the question of how many seats there were to be in each part of the UK, Mr John said.

Dell to preside at ACP-EEC meeting

Edmund Dell, Secretary of State for Trade, is to preside at a joint council of ministers meeting of the EEC, and the ACP countries – the 49 African, Caribbean and Pacific members of the Lomé convention – in Fiji next month.

The Fiji meeting, which is the second joint ACP/EEC council of ministers, will be held in Suva on 13 and 14 April. The Lomé convention, which was signed in 1975, contains comprehensive provisions covering EEC-ACP economic and trade relations and industrial and financial co-operation and the joint council of ministers, which meets at least once a year, is responsible for the implementation and smooth functioning of the convention.

The Fiji meeting will review developments since the first joint council held in Brussels in July last year. Among the items on the agenda are trade issues including special arrangements for sugar, stabilisation of export earnings, and financial and technical co-operation. Judith Hart, Minister for Overseas Development, will be the UK national spokesman at the joint council.

After the Fiji meeting, Mr Dell will visit Japan, the Republic of Korea and the United States for talks on economic, trade and other subjects.

New Lomé accession agreements signed

Agreements between the community and Sao Tomé and Principe, Cape Verde and Papua New Guinea for their accession to the convention of Lomé were signed in Brussels on 28 March.

The signing, which took place during the second meeting of the ACP-EEC committee of ambassadors brings the number of ACP signatories of the convention to 52.

Aid for non-associates discussed

Aid for non-associated developing countries was the main item discussed at the meeting of EEC development ministers in Brussels on 22 March.

The council held a preliminary discussion of the commission's proposals for a continuing aid programme, and will continue that discussion at its next meeting after receiving the opinions of the European parliament. The council also invited the commission to submit suggestions, in time for the next meeting, for the use of 45 million units of account included in the draft budget for 1977.

Other items discussed included the co-ordination and harmonisation of aid policies, relations with non-government organisations and the policy for food aid. On all these items useful progress was made.

For the future the council agreed to hold at least once a year, and if possible twice a year, discussion on certain fundamental problems arising in the field of relations with the developing countries.

Commission offers solar energy research funds

Further proposals for one area of research and development in the EEC's solar energy programme have been invited by the commission. It is prepared to contribute about half the cost of those accepted.

The invitation follows a review provided for after the first year of the programme which is being carried out in two stages over four years with a total allocation of 17.5 million units of account (mua) – about £7.3 million.

One area of investigation, which might account for some 3.8 mua (about £1.6 million) of the total, covers solar heat collectors and their application to dwellings.

For the second stage, the commission now invites further research proposals from persons and undertakings in the community interested in concluding contracts in the field of solar energy applications to dwellings and in particular in the heat storage sector to include inter-seasonal heat storage, diurnal heat storage, heat storage using phase-change materials, heat storage using the heat of chemical reactions and heat storage using single-phase systems.

Proposals should be submitted as soon as possible and preferably before 1 May this year.

When selecting proposals the commission says that it will take into account the opinions of its advisory committee for programme management. Criteria applied in selection will vary from case to case and will include the technical competence of the proposer, the size of his financial contribution to the total cost, the value to the community of the proposed research, the innovation it represents in relation to known techniques, the economic advantages expected and technical feasibility.

Selection will be confidential to protect the industrial property rights and the commercial interests of the proposers.

Further details of the commission's invitation and submission procedures are available from: Dr Geoffrey Long, Energy Technology Support Unit, Aere, Harwell, Didcot, Oxon OX11 0RA, tel. 0235 24141, ext. 2450 or Peter O'Neill, Department of the Environment, Room S 10/12, 2 Marsham Street, London SW1, tel. 01-212 8457.

General advice on the commission's energy research and development programmes is available from Dr G Preston, Department of Energy, Thames House South, Millbank, London SW1, tel. 01-211 5461.

More community news

Information on European community matters and about member states can often be found in other sections of *Trade and Industry*. For this week's additional news, turn to the following pages:

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EEC regional committee in London

Members of the EEC regional policy committee are visiting London this week. Their six-day programme, which closes today (1 April), included a visit to Wales and the north-west and northern regions of England to see at first hand the problems of these areas and the measures being taken to deal with them, including many projects to which the European regional development fund (ERDF) has contributed.

The committee consists of senior officials from EEC member countries and of the commission. They are responsible for examining questions relating to regional development and policy measures needed for the achievement of the community's regional objectives. They also have the specific task in relation to the ERDF of considering applications in respect of large infrastructure projects.

New legislation

The legislation listed below has been published in the *Official Journal of the European Communities* as indicated against each item. The *Official Journal* is now published in English and copies should be obtained from HMSO. Information about the items listed, in so far as other member states' requirements are concerned, is available to British exporters from Department of Trade, Export Services and Promotions Division, Export House, 50 Ludgate Hill, London EC4M 7HU, tel. 01-248 5757, ext. 7174/482/408. Other information may be obtained from the reference point given at the end of the item.

Common agricultural policy

The texts of the following regulations and decisions which affect the various agricultural sectors in the EEC have been published in the *Official Journal of the European Communities*:

Milk and milk products. Regulation (EEC) 512/77 amending regulation (EEC) 771/71 fixing in respect of milk and milk products the maximum tolerances referred to in regulation (EEC) 2306/70 (*Official Journal* L68, 15 March 1977).

Regulation (EEC) 540/77 fixing for the 1977/78 milk year the guideline figure for the fat content of standardised whole milk imported into Ireland and the UK (*Official Journal* L70, 17 March 1977).

Seeds. The *Official Journal* L68, 15 March 1977, contains the texts of the following decisions:

Decision 77/215/EEC amending the annex to fifth council decision 76/538/EEC on the equivalence of field inspections carried out in third countries on seed-producing crops.

Decision 77/216/EEC amending the annex to fifth council decision 76/539/EEC on the equivalence of seed produced in third countries.

Decision 77/217/EEC authorising Belgium to permit temporarily the marketing of seed not complying with the requirements of directive 66/401/EEC.

Decision 77/218/EEC revoking decision 74/364/EEC provisionally authorising France to prohibit the marketing in France of dwarf french bean seed of the variety 'Koralle'.

Decision 77/219/EEC revoking decision 74/365/EEC provisionally authorising France to prohibit the marketing in France of dwarf french bean seed of the variety 'Midas'.

Decision 77/220/EEC authorising the UK to permit temporarily the marketing of seed not complying with the requirements of directive 66/401/EEC.

Decision 77/221/EEC authorising Italy to permit temporarily the marketing of seed not complying with the requirements of directive 66/402/EEC.

Decision 77/222/EEC authorising Italy to permit temporarily the marketing of seed not complying with the requirements of directive 66/401/EEC.

Decision 77/223/EEC authorising Denmark to permit temporarily the marketing of seed not complying with the requirements of directive 66/402/EEC.

Cattle, beef and veal. Regulation (EEC) 559/77 on the sale at prices fixed in advance of certain boned beef held by the intervention agencies (*Official Journal* L71, 18 March 1977).

Animal health: meat products. Corrigendum. The *Official Journal* L68, 15 March 1977, contains the following correction to directive 77/99/EEC (published in *Official Journal* L26, 31 January 1977) on health problems affecting intra-community trade in meat products:
Page 87, article 3 (1) (3) (a) (i), first and second lines:
for: 'in accordance with directive 64/433/EEC, in the member state in which the . . .'
read: 'in accordance with directives 64/433/EEC and 71/118/EEC, in the member state in which the . . .'
Page 97, annex A, chapter V, point 27 (a), first line:
for: . . .'when the fo value . . .'
read: . . .'when the fc value . . .'

Wine. The *Official Journal* L69, 16 March 1977, contains the texts of the following regulations:

Regulation (EEC) 528/77 amending regulation (EEC) 816/70 as regards the rules on the maximum sulphur dioxide content of wine.

Regulation (EEC) 529/77 amending regulation (EEC) 2893/74 on sparkling wines produced in the community and specified in item 12 of annex II to regulations (EEC) 816/70 and (EEC) 817/70 laying down special provisions relating to quality wines produced in specified regions.

Regulation (EEC) 530/77 amending for the third time regulation (EEC) 1163/76 as regards the extension of the time limits for lodging applications for conversion premiums in the wine sector.

Regulation (EEC) 531/77 amending regulation (EEC) 1848/76 laying down general rules for the import of wines, grape juice and grape must.

The *Official Journal* L70, 17 March 1977, contains the text of regulation (EEC) 548/77 amending regulation (EEC) 3148/76 on preventive distillation for the wine-growing year 1976/77.

Animal feedingstuffs. Regulation (EEC) 534/77 repealing the protective measures applicable to the export of fodder products (*Official Journal* L69, 16 March 1977).

Live plants and products of the flower growing industry. Corrigendum. The *Official Journal* L69, 16 March 1977, contains the following corrections to regulation (EEC) 338/77 (published in *Official Journal* L48, 19 February 1977) amending regulation (EEC) 315/68 fixing quality standards for flowering bulbs, corms and tubers:
Page 2; articles 2 and 3 shall read as follows:
'Article 2
As from 1 July 1977, there shall be added to the table in chapter III of the annex to regulation (EEC) 315/68, in alphabetical order, the products listed in the annex to this regulation and the provisions respectively relating to them.
Article 3
This regulation shall enter into force on 15 March 1977'.

Sugar. Regulation (EEC) 547/77 on special provisions concerning the period of validity of export licences for sugar produced in excess of the maximum quota (*Official Journal* L70, 17 March 1977).

Harmonisation of legislation

Motor vehicles. The *Official Journal of the European Communities* L66, 12 March 1977, contains the text of directive 77/212/EEC amending directive 70/157/EEC relating to the permissable sound level and the exhaust system of motor vehicles.
Further information: Department of Transport, V/S E Division, 2 Marsham Street, London SW1P 3EB, tel. 01-212 3110.

Commercial policy

Imports of sacks and bags, and textiles. *The Official Journal of the European Communities* L71, 18 March 1977, contains the texts of the following regulations:

Regulation (EEC) 551/77 amending article 1 of regulation (EEC) 1631/76 maintaining in effect the rules whereby imports into the UK of sacks and bags of woven polyolefin fabrics originating in Korea are subject to import authorisations.

Regulation (EEC) 557/77 subjecting to authorisation imports into France and into the UK of certain knitted or crocheted under garments originating in the Philippines.

Regulation (EEC) 558/77 subjecting to authorisation imports into France and into the UK of certain knitted or crocheted under garments originating in Thailand.

Regulation (EEC) 561/77 concerning import arrangements in the community for shirts and blouses originating in India.
Further information: Department of Industry, Chemicals and Textiles Division, Millbank Tower, Millbank, London SW1P 4QU, tel. 01-211 6023.

New EEC documents

This list of EEC documents was deposited in the House of Commons during the week ended 23 March (commission reference numbers, where appropriate, are given in parentheses). The documents are available for consultation at the European Communities Commission Information Office, 20 Kensington Palace Gardens, London W8 4QQ.

EEC draft instruments

R/584/77 (COM(77)68)
Amendment to the Commission draft modifications to Decision No. 73/287/ECSC concerning coal and coke for the iron and steel industry in the Community.
R/615/77 (COM(77)55)
Amendments to proposal for a Council Directive on toxic and dangerous waste.
R/616/77 (COM(77)87)
Proposal for a Council Regulation (EEC) fixing catch quotas for certain zones and procedures relating to fishing activity in those zones.
R/628/77 (COM(77)59)
Amended proposal, in accordance with Articles 149 EEC and 119 Euratom, for a Council Regulation (ECSC, EEC, Euratom) amending the Financial Regulation of 25 April 1973 applicable to the general budget of the European Communities.

R/641/77 (COM(77)65)
Proposal for a Council Regulation amending the Staff Regulations of officials of the European Communities and the conditions of employment of other servants of the European Communities.
R/647/77 (COM(77)78)
Food aid: Aid programme for milk products in 1977 – Advance charging against the programme of the supply of 3,000 tonnes of butteroil to India (emergency measure).
R/659/77 (COM(77)66)
Proposal for a Council Regulation (EEC) on direct co-operation between the bodies designated by Member States to verify compliance with Community national provisions in the wine sector.

Consultative documents

R/407/77 (COM(77)22)
Commission report to the Council on the foreseeable developments in the planting and replanting of vineyards in the Community and on the ratio between production and utilisation in the wine sector.

Temporary suspension of CCT on aircraft parts

The Department of Trade has been notified by the EEC commission of requests for new total suspensions of CCT duties to operate from 1 January 1978 in respect of the goods listed below. Schedule 1 lists goods for the maintenance and repair of Concorde, and schedule 2 goods for the construction, maintenance and repair of Airbus.

If any UK companies consider that they could now or in the near future manufacture and supply any of the listed parts and components, so that a suspension of the CCT duty would be detrimental to their interests, they should inform the Department of Trade at the address below.

SCHEDULE 1 CONCORDE

CCT tariff heading	Description of goods
84.22	Thrust reverser jack and spare parts
84.59 E	Thrust reverser pneumatic actuator and spare parts
84.61 B	Thrust reverser isolation valve and spare parts
90.28 A	Thrust reverser position transducer
90.28 A	Thrust reverser electronic control unit
85.15 B	Weather radar aerial
90.28 A	Angle of incidence sensor for air data computer
90.28 A	Servo airspeed indicator for air data computer
84.10 B 1	Main hydraulic pump (capable of producing a pressure of 4,000 psi at a fluid temperature up to 120°C)
85.01	Electric motor for main hydraulic pump

SCHEDULE 2 AIRBUS

CCT tariff heading	Description of goods
84.11 C	Cooling fan for cabin temperature control unit
84.22 D	Electric actuator for air conditioning system valve
84.61 B	Valves in the hydraulic system (for flight controls, door operation, etc)
85.15 B	Radio magnetic indicator for ADF system
85.15 B	Radio magnetic indicator for VOR-DME system

The department has also been notified of objections to the continuation beyond 31 December 1977 of the present temporary suspensions of duty on the equipment listed in schedule 3 below when imported for use in the maintenance and repair of certain aircraft of an unladen weight exceeding 2,000kg. (Duties on these items of equipment are presently totally suspended in respect of most third-country and some community-built aeroplanes of an unladen weight exceeding 15,000kg and are reduced to 8 per cent in respect of all aeroplanes and helicopters in the 2,000kg to 15,000kg weight range. The full CCT duties range up to 14 per cent.) It is proposed that duties should be restored only on complete items and not on the parts necessary for maintaining and repairing them.

If any UK users of this equipment feel that their interests would be adversely affected by restoration of duties they should inform the Department of Trade in writing, giving details of the estimated value of their imports.

SCHEDULE 3 PROPOSALS FOR RESTORATION OF DUTY

CCT tariff heading	Description of goods
85.15	VHF transceiver to ARINC 566A Radio altimeter to ARINC 552A Intercom system to ARINC 306 OMEGA receiver to ARINC 580 and 599 Airborne SELCAL unit to ARINC 596

All the information requested in this notice should be sent not later than 22 April 1977 to the Department of Trade, General Division, Kingsgate House, 66-74 Victoria Street, London SW1E 6SJ, tel. 01-215 5512.

EEC tariff quota for Moroccan wines

An article in *Trade and Industry* of 21 January (pages 174-77) listing tariff quotas opened for 1977 mentioned that certain other preferential tariff quotas might be opened in 1977.

Community tariff quotas for certain wines having a registered designation of origin* of tariff heading 22.05 C. originating in Morocco, will be opened from 1 April 1977. Council regulation (EEC 483/77 (published in the *Official Journal of the European Communities*, L65 of 11 March 1977) provides for community tariff quotas of 30,000 hectolitres for wines in containers holding 2 litres or less and 20,000 hectolitres for wines in containers holding more than 2 litres with initial UK shares of 2,500 hectolitres and 1,670 hectolitres, respectively. There are community reserves for each tariff quota.

Within the limits of these tariff quotas and subject to the observance of free-at-frontier reference prices (see below) such wines may be imported into the UK from Morocco from 1 April to 30 June at the M (market) rates of customs duty (where not already eligible for these rates) and from 1 July until the end of the quota year free of customs duty. Any excise duty is payable. (Details of the tariff subheadings concerned will be available from local customs offices and will be published in part 11 of HM Customs tariff in due course.)

Wines in containers holding more than 2 litres must be put up in accordance with requirements specified in the EEC regulation mentioned above.

Qualifying imports will be debited against the tariff quotas in the order in which they are entered for home use and relief from duty is claimed.

* The designated wines are Berkane, Sais, Beni, M'Tir, Guerraouane, Zemmour and Zennata.

Inquiries on the tariff headings, requirements regarding designation, packaging and reference price may be made to any collectors office. Information about how much of a quota has been used should be made to the Tariff Quota Registration Unit, HM Customs and Excise, Kings' Beam House, Mark Lane, London EC3R 7HE, tel. 01-626 1515 ext. 2570.

Any general inquiries about this notice should be made to General Division 2, Department of Trade, Room 333, Kingsgate House, 66-74 Victoria Street, London SW1E 6SJ.

Copies of the *Official Journal of the European Communities* may be obtained from HMSO, PO Box 569, London SE1, tel. 01-928 6977 ext. 365.

Commission approves loan to NCB

Approval for a loan of £670,000 to the National Coal Board under article 54 of the ECSC treaty has been announced by the commission.

The loan will contribute to the construction of a new training centre and expansion of the existing preparation laboratories at the Mining Research and Development Establishment in Stanhope Bretby near Burton-on-Trent.

Reduced interest rate

The community encourages the establishment of research and vocational training centres within the coal and steel industries and is making this loan at a reduced rate of interest during the first five years. It will be paid out according to progress on the project and the terms will depend upon market conditions at the time the loan is disbursed.

Euratom aid for uranium prospecting

Support for uranium prospecting programmes within EEC territories has been extended by the commission's energy directorate. About 5 million units of account will be available up to the end of 1979.

New sources

The commission hopes the scheme will lead to the discovery of new sources of uranium which would improve the community's energy supplies. Preference will be given to projects that might otherwise not be pursued and funds may be allocated at any stage of the programme, from reconnaissance up to and including the feasibility study. The range of community support envisaged is 30 per cent to 70 per cent with the higher percentage given to high-risk programmes.

In the *Official Journal of the European Communities*, C. 60/3, the commission invites interested parties to submit applications by 9 April. Further information: tel. 01-211 6026/3973.

EEC – your questions answered

This week, we are publishing a selection of questions put to the Department of Industry's EEC Information Unit during the past month.

The unit helps businessmen by answering general questions about EEC membership. Its prime responsibility is with those matters which are the concern of the Departments of Industry, Trade, Prices and Consumer Protection, but it is usually possible to direct an inquirer to sources of specialist advice in other government departments.

Contact the unit by ringing 01-215 4301 (six lines) or by writing to the EEC Information Unit, Department of Industry, 1 Victoria Street, London SW1H 0ET.

Sensitive imports from Efta

Q. I understand that certain imports into the UK from Efta countries are subject to duty because they are regarded as sensitive. What are sensitive products and how does the system work?

A. There are certain products where the EEC is sensitive to competition from the Efta countries and certain products where the Efta states are sensitive to competition from the community. While free trade in most industrial goods between the UK and Efta was maintained when the UK joined the community, tariffs on these sensitive products (listed in protocol 1 of each of the free-trade agreements) will not be eliminated until 1 January 1984 for paper and paper products and 1 January 1980 for all other products.

Imports into the UK of some sensitive products are not liable to duty until total imports into the community reach certain specified levels (known as indicative ceilings) and even then duties are not reimposed automatically as member states and the commission consider each product separately and decide whether or not duties should be reimposed. Once imports have reached the level of the indicative ceilings and a decision has been taken to reimpose duties, 80 per cent of the common customs tariff (CCT) will be payable until 1 July 1977 and the full rate of CCT thereafter.

Most paper and board products imported into the EEC from the Efta countries will be subject to import duty until full free trade is reached in 1984. However, the UK and Denmark are permitted to open duty-free tariff quotas each year as a means of preserving the bulk of the free trade built up in Efta.

No permit is needed to import free of duty paper and board products covered by these quotas. Imports are on the basis of 'first come, first served'. When quotas are fully used duties must be paid until the end of the year. Until 1 July 1977 duties will be imposed at a rate of 6 per cent when duty-free quotas are exhausted and increased to 9.6 per cent where the indicative ceilings have been reached and a decision taken to reimpose duties. From 1 July 1977 to 31 December 1978 the EEC preferential rate of about 8 per cent will be payable when duty-free quotas have been fully utilised and the full CCT of 12 per cent where indicative ceilings have been surpassed and a reimposition of duties activated.

Quota levels for 1977 were published in *Trade and Industry* on 17 December 1976 and indicative ceilings appeared in the *Official Journal of the European Communities*, Vol 19, L367.

Exports to Efta

Q. Some goods I export to the Efta countries are subject to duty although they are not on any list of sensitive products. Why is this?

A. Some manufactured goods with an agricultural content which used to be duty-free in Efta are now charged duty on the agricultural component. The industrial component is not dutiable. Some processed agricultural products have not been included in the free-trade agreements between the community and the Efta countries.

To qualify for duty-free treatment, other goods must have 'originating status' in accordance with the rules of origin in the agreements. Some products, which qualify under the old Efta rules, may not do so under the new rules and will be subject to the full rate of duty. Information about these rules can be obtained from the Department of Trade's General Division at Kingsgate House, 66 Victoria Street, London SW1E 6SJ, tel. 01-215 5750.

EEC information

Free service for businessmen! The EEC Information Unit helps firms of all types and sizes by answering general questions about EEC membership and by guiding them where necessary to more specialised information sources.
New customers are always welcome, particularly firms new to EEC questions.
The unit's address is:
EEC Information Unit,
Department of Industry,
1 Victoria Street,
London SW1H 0ET.
Tel. 01-215 4301 (six lines).

European Investment Bank

Q. What is the function of the European Investment Bank?

A. The European Investment Bank was established by article 129 of the treaty of Rome and is an independent, non-profit-making public institution of the community. Its task is to contribute to the balanced development of the common market by granting long-term loans and guarantees to facilitate the financing of:

1 projects that help the development of less developed regions
2 projects for modernising or converting undertakings or for developing fresh activities called for by the progressive establishment of the common market
3 projects of common interest to several member states (see the Seaspeed project, left).

Full details of the bank are given in a free publication, 'EEC – Your Questions Answered', available from the EEC Information Unit, tel. 01-215 3579.

The headquarters of the bank is situated at 2 Place de Metz, PO Box 2005, Luxembourg.

A £5 million loan from the EIB will help towards the cost of 'stretching' Seaspeed's SRN 4 hovercraft. Shown here as an artist's impression, the new hovercraft will increase its carrying capacity from 30 to 60 spaces for cars and from 254 to 416 seats for passengers. The loan will also help fund the rest of the project which includes stretching Seaspeed's other SRN 4 and construction of new terminal facilities at Dover. (photo: Seaspeed Hovercraft)

INTO WEST GERMANY... EUROPE'S LARGEST MARKET

Trade and Industry special report April 1977

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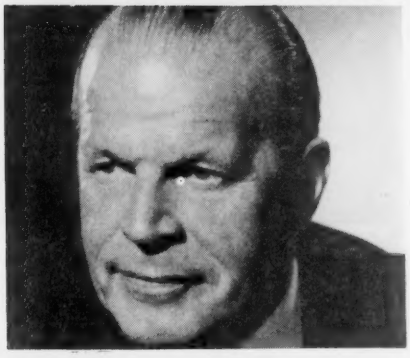
INTO WEST GERMANY



It's a must

Tony Hellmuth, European Trade Committee member with special responsibility for West Germany and Midland Bank director, thinks the market is a must for the British exporter

The West German market is, I am convinced, an especially important target for British goods. Having been closely associated for many years with our friends in Europe and, through the European Trade Committee, having special relationships with West Germany, it is natural that I should wish to encourage trade between the two countries. But there are many sound economic reasons why at the present time West Germany is a vital market for British exporters.

First in importance is the markets its size and proximity to Britain. Last year the 62 million people of the federal republic, together with West Berlin, imported $88 billion-worth of goods from the rest of the world, approximately half as much again as did France or Japan – and, indeed, far more than did any country except the United States, and even then imports per head of population were much higher for West Germany than for the United States. It is also a market which, for Britain, has the twin advantages of closeness and excellent transport facilities. For these reasons alone West Germany becomes an attractive outlet, but there are other justifications, as equally compelling, for putting West Germany near or at the top of any exporter's list of overseas markets.

Until the world recession of 1974-75, West Germany experienced a high rate of growth throughout most of the post-war period. At the same time the volume of West Germany's imports rose at an even faster rate than the country's real growth rate. With the recession, the level of economic activity fell in 1975, but subsequently this lost ground has been more than recovered, real gross national product rising by a little over 5½ per cent in 1976. Although this level may not be fully maintained this year, the federal government is forecasting a growth rate of 4½ to 5 per cent, and even the OECD, which is comparatively gloomy about prospects for member countries, puts it at 3½ per cent. Although the German authorities are tending to resist international pressure to expand demand more rapidly, they are unlikely to allow it to fall more than marginally. As usual, the volume of West Germany's imports is expected to increase at an even faster rate, providing additional incentives to all exporters.

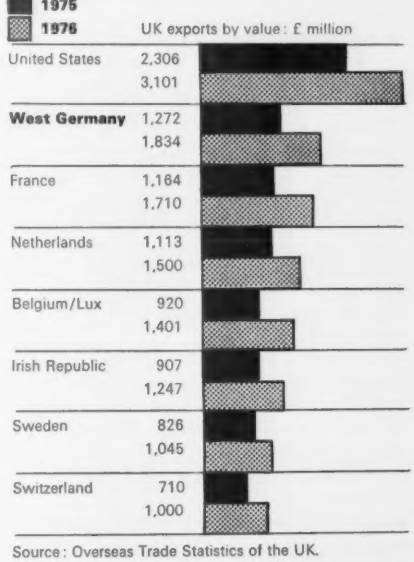
Perhaps as important as the rapid increase expected in West Germany's demand for imports is the fact that recovery has already spread demand into all goods, including those for consumers and for capital investment purposes, with greater emphasis being directed by the authorities towards investment expenditure.

Already, West Germany is Britain's second largest export market, ranking behind the United States, but just ahead of France, and is taking 7 per cent of total exports of the United Kingdom. Nevertheless, Britain's share of the German import market, at less than 4 per cent, is disappointing, whereas other member countries of the EEC have a much greater share – the Netherlands accounts for as much as 15 per cent, France 12 per cent, and Belgium and Italy 9 per cent each.

Various reasons have been given over the years for Britain's relatively poor showing, including criticism of delivery dates and after-sales service, as well as a lack of attention to local requirements. Product design, packaging and presentation have not always taken account of West German tastes. Already, however, changes have been taking place. A survey carried out a year ago by the Confederation of British Industry found that delivery performance by British exporters had improved appreciably over the previous six months and trading partners have been impressed by this and by the quality of goods, and also by the competitive prices, particularly after last year's depreciation of sterling. Nowhere are these factors more important than in the West German market.

But increasingly it is being realised that British manufacturers must break away from the 'luxury' image of high price and high quality with which they have been branded. This brings me to another reason why the West German market is so important. Like other industrially advanced countries, West Germany imports the kind of manufactured goods that Britain should be especially capable of making. West Germany has one of the highest standards of living in western Europe so that demand is for as wide a range of products as required by any customer, from day-to-day goods such as clothing and footwear, to industrial raw materials, through to capital goods and especially the more technologically advanced equipment capable of being produced at competitive prices by British manufacturers. Thus, ample opportunities exist for consumer goods, particularly consumer durables and the luxury end of the market, and (possibly more important) capital investment goods. West Germany last year imported $58 billion-worth of manufactured goods, almost as much as did the United States, and far more than did other industrial countries.

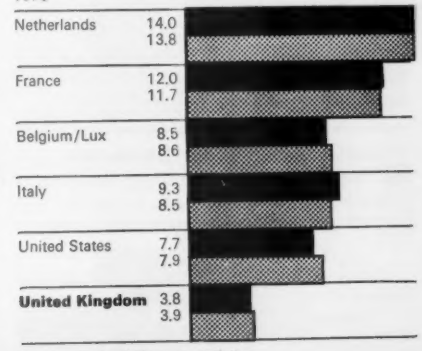
West Germany: it's our second largest market...



Source: Overseas Trade Statistics of the UK.

but our share could be much bigger

Percentage share of the West German market 1975 and 1976



Source: Federal German statistics.

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We can help by Joe Parr, director-general, British/German Trade Council, page 6

They're in. Export success stories, page 7

'Into West Germany', special report published with *Trade and Industry*, 1 April 1977. Editorial address: Room 439, 1 Victoria Street, London SW1H 0ET (01-215 5730). The views expressed in contributions to *Trade and Industry* emanating from other than official sources are not necessarily those of Her Majesty's Government. © Crown copyright 1977.

Cover photo by courtesy of the Embassy of the Federal Republic of Germany, London.

INTO WEST GERMANY

British exports to West Germany continue to cover a wide spectrum. Capital goods, in particular non-electrical machinery and transport equipment, figure prominently. Raw materials and consumer items, such as clothing, footwear and foodstuffs, are also being encouraged. Electronic equipment and labour-saving devices are particularly attractive to the German market. Exports of machinery have improved, in particular agricultural and mechanical power units, although paper and printing machinery, mechanical handling equipment, pumps and compressors, electrical machinery and machine tools are also doing well. However, food processing machinery, textile and leather machinery have not been so successful.

Consumer goods exports have not increased as much as capital goods, but cosmetics, clothing, tableware and wood manufactures have done best in this class. Exports of glassware, leather footwear, books, maps, music, pictures and other leather goods have done less well.

Figures for 1976, compared with 1975, show the most improved performance to have been in the mineral fuels and lubricants sector, followed by chemicals, manufactured goods, raw materials, and machinery and transport equipment.

It is true, then, that the largest share of Britain's exports to West Germany is in the form of manufactured goods and machinery and equipment. But looking at trade in both directions, whereas British manufacturers last year sold about £687 million of machinery and transport equipment to West Germany, the West Germans managed to sell well over £1,300 million of these goods to Britain. Thus the trade gap for this sector alone rose by more than 55 per cent compared with 1975, although to some extent the high value of imports represents the initial effects of the depreciation of sterling.

The figures for trade in chemicals and manufactured goods in general show a similar imbalance between the two countries, although the deficit in manufactured goods sector was slightly reduced last year, in spite of the depreciation of sterling. Indeed, in total British exports to West Germany rose last year proportionately faster than the federal republic's sales to the UK, but not sufficiently to prevent a widening of the trade gap.

This imbalance, which in visible trade terms amounted last year to about £920 million, compared with about £700 million for 1975, has been a worrying aspect of UK-West German trade for many years. To some extent this is offset by the substantial net surplus which Britain earns on 'invisible' business.

UK trade with West Germany

Source: Overseas Trade Statistics of the UK.

In the past, West Germany's economic strength has been reflected in success in export markets, so that the country's export ratio – the share of exports to total industrial turnover – rose from 8 per cent in 1950 to 24 per cent in 1976. Success in foreign markets has come for West Germany in spite of a succession of currency revaluations, so why has West Germany been so successful, while Britain has lagged way behind?

One reason is West Germany's bias towards capital goods, demand for which has been increasing world wide. But Germany also has a reputation for producing high-quality goods, with producers prepared to meet special requirements, to provide reliable servicing facilities and to respect delivery dates. Moreover, West German companies operate on profit margins well below the international average. Also the country's economic stabilisation policy has proved more effective than those of Britain and other countries in restraining cost and price increases.

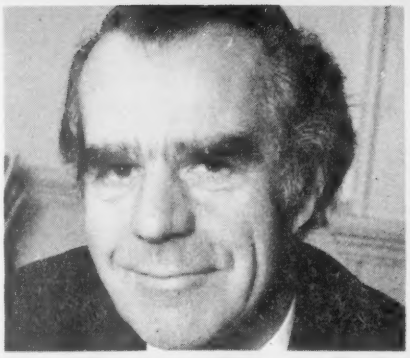
Even so, with changes in currency valuations the price competitiveness of British products has been more than maintained. After making allowance for the depreciation of sterling against the deutschmark, the rise in unit labour costs in West Germany compared with that in Britain has made British goods much more competitive. Moreover, this year sees the final reduction in tariffs between European community member countries. Again, the recovery in the West German market is at about the stage at which it is most open to increased imports.

Progress can be made through trade fairs, which are strongly established in West Germany. They are the principal means by which British goods are promoted in West Germany and provide an outlet for companies which have not exported there before.

In the past, British exporters have tended to concentrate on northern Germany, where at the freeports of Hamburg, Bremen and Bremerhaven goods can be stored, assembled and modified, but more recently they have become aware of the growing potential of the south. Most British goods are admitted to Germany without an import licence, and sales can be made directly to wholesalers, retailers and the consumer, through branches and subsidiaries, and through agents.

Economic forecast 1977

According to the latest annual report of the federal government, growth for 1977 is expected to reach 5 per cent. The expected growth in world trade of 7 to 8 per cent should mean a rise in German exports of between 8 and 10 per cent. Imports should again increase faster than exports. Unemployment is a major concern and is expected to remain just under 4 per cent of the workforce. In November 1976 the government implemented an employment measures programme, designed particularly to help women, disabled and young people; this should have its first effects in the first half of 1977. Wage rises have so far been around 7 per cent but there are fears that this figure may increase as further settlements are negotiated. This suggests that the authorities may have difficulty in maintaining the downward trend in consumer prices. Nevertheless even if the government's projected 4 per cent increase in consumer prices in 1977 is marginally exceeded, Germany's rate of inflation is still likely to be lower than most, if not all, of its major trading competitors.



Take it seriously

Sir Oliver Wright, British ambassador in the Federal Republic of Germany answers questions by Alan Williams about Britain's export performance.

In Britain we are constantly being told that the downward drift of the pound against the mark should boost our export prospects. Is this true?

Yes, British exports, not only to Germany but to other countries, are certainly doing well at present and obviously exchange rates have a great deal to do with this. They help to make British prices very competitive and as I go round the trade fairs I find that British traders operating into Germany confirm that the downward float of the pound made prices very competitive indeed. But that's not the only reason. A recent British-German Trade Council survey found that, in addition, the quality of British products, their reliability and hard work have all played a part in achieving the great growth of British exports.

But even if British prices do compare favourably with German products, is there a geographical disadvantage?

If you mean the North Sea, well then obviously we are at a slight disadvantage compared with Germany's land neighbours; but British exporters down the centuries have been used to exporting across oceans, so I don't think this is a real disadvantage, particularly when you see that the transport facilities across the North Sea are first class. And surely the fact that British exports to Germany are buoyant indicates that if there is a problem it is certainly being overcome.

How about the alleged unreliability of British suppliers?

There is no doubt that British suppliers have a reputation for unreliability but I think myself that there is a time-lag between the truth and the reputation. All the evidence reaching me suggests that there is a great improvement in the reliability of the products and in reliability in meeting delivery dates. The essence of doing sizeable, profitable and continuing business with German customers

is to establish and maintain a reputation for reliability, and I think we shall in due course re-establish that reputation.

Germany is now second only to the United States among Britain's export customers. To what extent is this achievement due to our membership of the EEC?

Germany was Britain's second largest market in the world even before we joined the EEC and it would have remained a very important market even if we hadn't joined the community. But there is no doubt that since we joined the community our penetration of the market has increased and the experience of the original six members of the community is that the existence of the customs union encourages the increasing exchange of goods between the partners. I should expect this trend to continue in our trade with Germany as well.

Despite being our second largest export market, our market share in Germany is under 4 per cent, which is still very small. What prospects do you see of improving our performance?

I see very good prospects indeed. I think the reason why it is now still under 4 per cent is that we have only very recently joined the community. If the experience of other members of the community is any guide, this proportion will steadily grow. But of course it won't happen by itself – improvement depends also on British firms themselves. As long as British firms recognise that Germany is a rich, stable and valuable trading partner and devote the appropriate resources to cultivating the market – and by devoting resources I mean human and financial resources – then I see good prospects of steady growth. Good people must be put on to the job and they must be given the necessary money to do it.

If you were asked to put a figure on it, what would you say could be achieved, in terms of percentage?

I think it would be very foolish to commit oneself to firm figures – political and economic reputations have been shattered when targets have failed to be reached! But I think that the evidence of other people's experience, and the evidence that we have since our comparatively recent arrival in the community both point to the fact that our import penetration of the German market should steadily increase.

One can already point to several examples of Anglo-German joint projects, particularly for instance in the aerospace industry. Do you see potential for the extension of this sort of collaboration into other fields, especially consumer goods?

There is indeed a great deal of collaboration, although of course that in the aerospace industry is most widely known, – the Tornado aircraft, is a spectacular example. But there are a number of British companies who either own or have a large share in companies manufacturing in Germany and they include capital goods, consumer goods and components. German firms are also investing in direct manufacture in the UK and I am glad to say that there has been a noticeable upturn in the flow of German direct investment to Britain. British investment in Germany often goes hand in hand with importing products from Britain and selling them alongside locally made products through the marketing organisation set up by the German partner. Then there is the question of collaboration in third markets, for example in the so-called 'jumbo projects' whereby we and the Germans could join together in supplying the capital goods and industrial installations that the developing world requires. There is really very considerable scope for this sort of collaboration.

Are you happy that in general British firms are sufficiently well represented in Germany compared with, say, our French or Dutch competitors?

Numerically speaking, British firms are already quite well represented here. The embassy knows of about 1,000 sales and other subsidiaries of varying sizes and there are several thousand agency or similar representation arrangements made by British firms with German firms in the federal republic and West Berlin. But one can never be satisfied with the status quo. Although many of the subsidiary companies are excellent and well-supported from home, I suspect that many British companies could still profitably give a good deal more back-up in one way or another to their representation in Germany than they are doing at the moment.

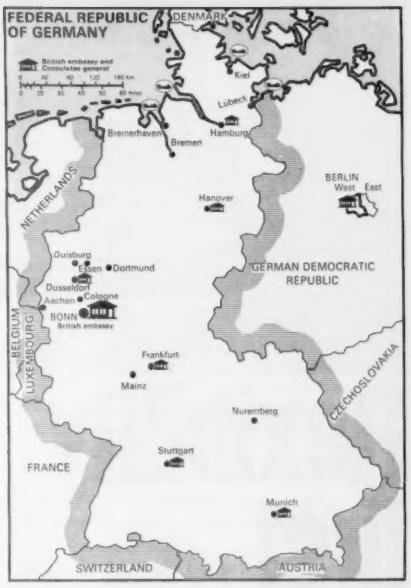
Do you find that British companies are taking sufficient advantage of the services offered by your commercial officers here in the embassy?

By and large, they are making good use of them at the moment, but of course we are always happy to help more. The commercial staff here at the embassy and at the seven consulates-general throughout the federal republic and West Berlin receive a good number of British visitors in the course of the year. They are also in direct touch with the British firms participating in the international trade fairs in Germany under the sponsorship of the BOTB. There were over 2,400 of these firms in 1976. But I would like to see even more use made of the services which the BOTB, the embassy and the consulates-general can offer. The British government has built up a first-class team of experienced and knowledgeable commercial officers here in Germany and they are keen to help.

I think it is generally agreed that this year there have been signs of a weakening in domestic demand within Germany and a consequent re-emphasis on exports as the principal growth force. Does this mean that Germany is now a less attractive proposition for the British exporter than, say, a year ago?

No, emphatically not. I think all British exporters should bear in mind that the Federal Republic of Germany is now the second most important industrialised country in the western world and the most important economy in western Europe. It is also an economy devoted to the free play of market forces. This is a rich market, a reliable market and a growing market. It is a difficult market, too, but provided British exporters are prepared to put human and financial effort into it – their *best* salesman with full backing from home – they will enjoy an increasing return.

To what extent do you think the traditional view of Germany as a market in many ways similar to that of Britain is still true? Do you think it is an advantage or a disadvantage?



It rather depends what you mean. There is a tendency for some firms to treat Germany as an extension of the home market with conditions so similar to those in the UK that they need not expect problems and needn't make an effort. I disagree entirely with that view: the fact is that our economies are very similar but a British firm exporting to Germany has to recognise that it will be meeting competition from domestic manufacturers, that the federal republic has a regional structure, that German taste is different and indeed that there are differences in taste even between the different regions of Germany. This is a market that has to be studied in depth and properly exploited. But the main trend in the industrialised world is for countries to exchange their industrial specialities with each other and in this case the fact that Germany is in many ways similar to Britain, and since we are both together now in the EEC, is certainly fundamentally an advantage. But it cannot be taken for granted.

What do you see as the major growth area for Anglo-German trade?

I see our trade growing right across the board – capital goods, consumer goods and components, even agricultural and food products too, now that both countries are in the EEC and therefore in the common agriculture policy together. I think it would be difficult to pick out any special winners in this field, but I would particularly expect and hope to see an increase in the proportion of sophisticated manufactured goods, that is to say in those which bring the greatest added value with them from Britain.

Finally, ambassador, if you had to encapsulate your advice to British exporters into a short, succinct sentence, what would it be?

I think, take the job seriously: study the market carefully and take advice, work out a rational plan that fits your company, your product and your capabilities and then devote the necessary resources for carrying the plan through.

Short's SD3-30 commuter aircraft in the livery of the federal German airline DLT Luftverkehrsgesellschaft. It is to operate on the Frankfurt to Munster route, while a second aircraft, scheduled for delivery later this year, will link Bremen and Düsseldorf.

Flexibility first

In the highly competitive German market, Alan Williams finds that, whatever else, the would-be exporter must be prepared to conform

'Whatever you know about Germany,' said my host, smiling disarmingly, 'you can forget.' Such a forthright welcome from a leading German industrialist might seem somewhat offputting to the more genteel British exporter, but in essence it is true. For both historical and emotional reasons, the British view of Germany as an export market tends to be distorted.

Derek Senior, of Deutsche ICI GmbH in Frankfurt, puts it succinctly: 'The British tend to think of Germany as an extension of the home market, whereas in fact the differences, though often subtle, are considerable.' He has seen the ICI operation in Germany grow from a single sales office in 1958 to its present position as an important component of ICI's huge Europa Division. 'Here in Germany,' says Senior, 'there is much more emphasis on quality, control and delivery. Competition is intense, and you really do have to try that much harder, but it's worth it because there is so much potential.'

How, I asked, did the ICI operation compare with its German competitors? 'We've had to learn. Traditionally, ICI is very profit-orientated, with the emphasis, if anything, on the short term. In contrast, our German friends seem little profit-orientated, concerning themselves much more with long-term market dominance.'

I found this view shared among many British businessmen operating in Germany. Nicholas Boultwood, managing director of Avdel GmbH at Langenhagen, near Hanover, is convinced that German firms are not so profit-obsessed simply because they pay less attention to the vacillations of the stock exchange. 'In Britain, far too much attention is paid to the daily fluctuations of the FT index. Here in Germany, the shareholders are relatively less important.' True, by British standards, many German companies are under-financed, but Boultwood is firm in his conviction that management can perform better because it has fewer restrictions and is given more real power with authority.

Another common fallacy about Germany is that, like England, it is generally one market. It is not. There are very distinct differences in the lifestyles and purchasing habits of the peoples of the various Lände, and this means that the market must be developed geographically. Thus the experience of Colt International, which opened its German production unit at Kleve, on the German/Dutch border, in 1966. Geschäftsführer A. van der Sluijs is enthusiastic about the potential for Colt in Germany. 'But it is a highly competitive market. Market research, possibly using a German consultant, is essential, as are a strong sales organisation, and an after-sales service second to none.

Being British has been both a help and a hindrance to Colt. English is the corporate language of the group, and it has been helpful in recruiting staff and facilitating movements between offices. But being British has also presented problems. Because of Britain's bad industrial image in Germany – for which van der Sluijs quite categorically blames the British media – Colt has been obliged to prove to clients that it can meet delivery dates. 'We have to show them we are determined to succeed.' The company has done just that and is now recognised in the federal republic as being among the leaders in the field of industrial ventilation.

Group policy is to advertise heavily and it seems to have paid dividends; in Germany, as in Britain, Colt magazine advertising has been much admired, and has achieved a high standard of response.

Advertising in magazines, which generally have a stronger penetration in Germany than in Britain, is also one of the main sales vehicles of Dunlop AG at Hanau, near Frankfurt. Set up in Germany in 1893, just four years after the parent company in Britain, Dunlop AG is firmly entrenched in the domestic tyre market, while the associated Dunlopillo Company is expanding its activities in the foam and mattress markets, especially the new reinforced-foam one-piece car seat, for which it claims impressive accident performance.

Dunlop has achieved a total European product, with plants in Britain, France and Germany all producing the same range of tyres, although the Denovo tyre is not yet on sale in Germany. Marketing manager Dr Divorak reckons that with 40 per cent of the market in original equipment, Dunlop is running the market leader, Michelin, a close second. Despite the 'Europeanisation' of his products, he sees no problem of market differentiation. 'Many Germans think Dunlop is a German company.' And Dr Divorak is happy to let them continue to do so. The only real problem with common products is apparently that of 'grey' exports between dealers in various countries so as to take advantage of differing price levels.

Like most companies I spoke to, Dunlop places great store in service. In a highly competitive market, it has over 40 distribution points throughout Germany, from which every dealer gets at least two deliveries per week, sometimes more. Courtaulds GmbH, too, is very conscious of the need for service and professionalism. Herr Dieter Stenz, managing director, was adamant that German buyers are very professional. 'You will sell nothing here until you gain the confidence of the buyer. And to do that, the quality has got to be right, the price has got to be right – and you must deliver on time.' So many companies are anxious to sell into Germany that buyers can virtually call the tune on style and delivery, so Courtaulds maintains stock houses to keep outlets constantly supplied. The average German department store offers many more styles than the equivalent British store, and this clearly presents problems in maintaining stocks. 'But,' says Stenz, 'if you want to do business in Germany you have to conform.'

In such a competitive market, the need to keep the specialist demands of the customer in mind is uppermost. Herr Ploemacher, sales and marketing manager of D. Ahr GmbH, importer of toys and sports goods, expressed concern that far too many British companies still fail to provide appropriate German-language instructions and packaging, or even include multilingual instructions with their standard packaging. 'In Germany, this is important.' Over 60 per cent of Ahr imports, worth more than Dm4 million, are British and in general they sell well. But, says Ploemacher, most manufacturers still do not realise the problems of an agent in this market. He does all his own promotion and advertising, but feels he doesn't really get sufficient help in establishing brand names which, in Germany, are an important selling point.

He would like to see more co-operation on international packaging, and makes an earnest plea to be involved in the earliest stages of design. Ploemacher is quite happy with the quality of British products – indeed, he encourages manufacturers to include 'Made in Britain' on their packaging as a mark of quality. But he complains about deliveries and suggests, as did many agents and importers I spoke to, that a small computer-monitored 'buffer' stock be kept at a central warehouse in Germany. 'Your marketing people are not sufficiently sensitive to our differing needs; children's television series appear here at different times to those in Britain, and if we do not have our goods in the shops when they open the next day, our market is dead.'

This need for quick, sensitive marketing is

echoed by Friedrich Graf von Pfeil, general manager of Kupferberg and Co of Mainz, German distributor for Johnnie Walker whisky. Annual turnover on sales of Scotch in Germany is now Dm 80 million, and Kupferberg is keen to maintain the up-market, prestige image of the product established by cinema and television. Kupferberg manages its own advertising and promotion, and is concentrating on promoting home-drinking because strict new drink/driving laws are likely to affect the present 50-50 split between sales to restaurants and direct to consumers for home consumption.

Praise for quality

Most of the German agents and buyers I spoke to had nothing but praise for the quality of British products, and indeed several companies are doing very well by trading exclusively in the quality end of the market. One of the most obvious – and successful – is Merry Old England which, despite its name, is a German firm of antique importers with a central warehouse in Kelkheim and retail outlets in Cologne, Frankfurt, Stuttgart, Munich and Nuremberg. British period furniture of every age from Tudor through Georgian, Regency and Victorian to Edwardian is much sought after in Germany, and Dr Schulz, one of the principals, spends much of his time scouring Britain for both reproductions and originals.

Another success story at the quality end of the market is that of British pottery. Jurgen Spardel, of Intermarketing GmbH, represents Enoch Wedgwood, Staffordshire Potteries, Ravenhead, Pearson's of Chesterfield and Greens of Burton-on-Trent. 'Both the quality and presentation of British pottery is better than the German,' he says, although he too has suffered problems with deliveries; this is often however caused by shipment delays rather than ex-factory lateness.

With so many reservations being expressed about British service, I asked Paul Medhurst, of Giltspur Engineering GmbH, how British consultants are faring in Germany. The answer appears to be surprisingly well, if they are prepared to provide the exact service required. The key to this success is that labour rates – and consultancy services are notoriously labour-intensive – are about 30 per cent higher in Germany than in the UK. So provided management can overcome the problem of distance, UK-based consultants have a distinct price advantage, although there is also the traditional German loyalty to be overcome.

Medhurst set up shop in Düsseldorf as a consulting engineer in 1968, spearheading Giltspur's move into Europe, and now has offices also in France, Holland and Switzerland. He has almost 50 staff working on overseas engineering projects for German clients. He also acts as an agent for the parent company in Britain in the engineering, transport and metal furniture fields. He is convinced there are opportunities for British consultants in Germany, because German consultants are generally smaller than their British counterparts, and do not therefore enjoy such a reputation overseas. But he warns that there is still a lack of confidence in Britain's ability to deliver on time, and that one must be prepared to work within a framework of fixed-price contracts and strict penalty clauses.

Overall message

What then is the overall message for the British manufacturer wanting to break into the highly sophisticated and breathtakingly competitive German market?

First, identify the market and ensure that there is a sensible slot for British products, bearing in mind that by tradition Germans are much more loyal to the home product than the British. British products are often competitive in price compared with other imports, but the German consumer is as much attracted by the novelty or quality of a product as by the price.

Second, ensure adequate top-level representation in Germany. Almost every German buyer I spoke to echoed the words of the chief buyer at Karstadt, largest of the German multiples: 'British suppliers must have a permanent representative in Germany of sufficient authority both to make decisions on the spot and ensure they are followed through.'

Third, maximise your potential advantages – which means making the most of price differentials and the British reputation for quality.

Finally, and most importantly, give realistic delivery dates, rather than optimistic guesses and do your best to keep to them. Germans are used to getting deliveries on the day quoted, and organise themselves accordingly. You will be more popular if you quote a delivery date of three months in the first place, rather than quoting a month to get the order and then fall down, even by a few days.

What about setting up your own operation in Germany? Apart from the higher labour costs, it can have many advantages. Some managers I spoke to recommended acquisition rather than organic growth because it provides a quick way to get German management, experience and staff, and thus an even greater foothold in the home market.

Most German companies have a 'contract of employment' with their staff – although it is not a legal requirement – setting out exactly what duties are expected of each member of staff, to whom they are responsible, and which staff are responsible to them.

Recruiting of staff, too, seems easier, because employers are required by law to give references to any member of staff who leaves them.

What, I asked each of my contacts, was the one message that every British sales executive with an eye on the German market should have stamped on his mind?

'Flexibility' came the reply.

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We can help

Joe Parr, director-general of the British-German Trade Council, explains how his organisation can help companies – and individuals

At a recent meeting of the Bundestag finance committee, representatives of the British-German Trade Council presented their views on the corporation profits tax reform bill. This is an example of the way the BGTC represents members' interests at highest level in both countries.

The BGTC followed up these representations on tax reform by joining with the German Chamber of Industry and Commerce in London by pressing the two governments for an early revision of the current British-German double taxation agreement in order to minimise disadvantages suffered by cross-frontier subsidiaries in the two countries under the imputation tax system.

The two organisations also put to authorities on both sides the case for action to overcome difficulties experienced in customs clearance, transport and ancillary services fields.

The BGTC is an independent association registered under German law and is entered in the public list of organisations which represent interests vis-a-vis the federal parliament and government. Membership has now passed the 500 mark.

Ever since the Conference of British Chambers of Commerce in Continental Europe was founded in 1964 the BGTC has been a member – indeed, it will take its turn in May 1977 to host the annual meeting of conference delegates from all over Europe. But it is the youngest of the conference members, and, as its name implies, it was a departure from the traditional pattern of British chambers abroad, some of which date back to the last century.

The trade council is a post-war creation, founded in 1960 as a forum in which businessmen representing British interests throughout the Federal Republic of Germany and West Berlin could meet to share experience of common problems. It also served the British embassy and the CBI, who had jointly sponsored its formation, as a sounding board on current issues. Both continue to be represented by honorary vice-presidents, and the ambassador himself is the BGTC's honorary president.

From the outset the trade council saw little point in trying to compete with the comprehensive official commercial services introduced during the 1950s at the British embassy and consulates-general. Rather than duplicate their activities the trade council sought to supplement them by collecting and disseminating information gained from its members' practical experience. Various channels were used: regional meetings and seminars; a monthly news-letter; reports to the embassy, the CBI, the BNEC export council for Europe and other organisations which valued this input from businessmen actively engaged in British-German trade.

The trade council soon extended its activities by making this experience available to newcomers: it was a pioneer of the 'workshop' technique, whereby panels of its members toured Britain in 1969 and 1970, giving individual interviews to British firms starting business with Germany. Similar workshops were subsequently organised in the federal republic itself. The BGTC now operates a consultancy scheme in which many of its members have agreed to share their experience freely with others.

In its short history the trade council has not hesitated to adjust to changing circumstances. Initially called the British Trade Council in Germany, it confined itself to activities on behalf of British business interests and their German representatives in what was then a comparatively new market for many firms. But more and more British companies abandoned the 'arm's length' export approach and established (or acquired) their own subsidiaries in Germany – some of them manufacturing part of their product range there. Similarly, German companies were setting up production plants in Britain, or entering into co-operation agreements and joint ventures with British firms. Furthermore, a number of trade council members were carrying on, or servicing, trade and business operations in both directions, and thus shared common interests with German firms engaged in similar activities. All were participating in, and contributing to, British-German economic relations in general, and the trade council's original 'one-way' character was becoming increasingly artificial. This was highlighted by the prospect of British membership of the European community, which the CBI envisaged would lead eventually to British and German companies regarding themselves – and each other – as 'European' companies operating within a single market.

In 1971, therefore, the trade council changed its statutes to admit German interests as associate members. Since 1975 they have been able to join as full members, and the organisation has borne the name British-German Trade Council. Concerned with trade in both directions, the BGTC co-operates closely with the German Chamber of Industry and Commerce in London. There the chamber, rather than the German embassy, provides the official commercial services available to German exporters.

After the closure of the CBI's office in Cologne in 1964 the BGTC has acted as the CBI's representative in Germany.

The British embassy has provided all the secretariat services (though in recent years, as its membership has grown, the BGTC has contributed towards their cost).

In 1975 the trade council, reinforced by the generous support of a number of 'sustaining members', embarked on an ambitious five-year development plan. This was designed to create a stronger, more professional organisation with growing influence and an expanding range of activities to match the increasing scale and complexity of British-German economic relations. Since that year the BGTC has published its own magazine, *British Trade* (covering industrial and commercial developments in both countries, members' news and trade opportunities) and a *British Trade Annual*, which combines a classified membership directory with basic information of lasting reference value. In mid-1976 the BGTC appointed its own director-general. In due course the secretariat will move to an office of its own, outside the embassy.

The BGTC will continue to work closely with the official commercial services, and to be drawn into their inquiries on behalf of British exporters new to the market. However, the BGTC's main role, in furthering business relations of all kinds between Britain and Germany, is to serve the needs of its members and represent their interests.

An expanding number of activities are carried out by regional groups throughout the federal republic and in West Berlin; the latest to be formed is based on Hanover. At regular meetings in the various centres members can make contacts, compare notes and hear distinguished speakers.

Occasionally members throughout Germany are invited to national meetings, such as the meeting in Düsseldorf earlier in the year when Edward Heath spoke on 'towards a European economy'. Seminars are arranged on problem areas of operations in the market – for example, hiring and firing staff, the impact of works council participation, and the new Corporation Profits Tax Law.

The list of GBTC special papers on specific aspects of British-German business operations is lengthening; a new series of Fact Sheets has been started, and plans are in hand to issue the texts of lectures and speeches and transcripts of discussions. Annual surveys of salaries and conditions of service, and the performance of British exports on the German market, are published, and a list of British subsidiaries in Germany is being compiled.

Membership of the British-German Trade Council is open to individuals and companies engaged in or interested in business relations of any kind between the UK and the federal republic and West Berlin. Whether you are a newcomer to this field, or wish to consolidate or extend your existing operations, the BGTC has much to offer you. For further details, contact me at the Secretariat, Friedrich-Ebert Allee 77, D-5300 Bonn (tel. 23 40 61, telex 886 887).

They're in

Many large British companies do a lot of business in West Germany. But we've been to see four smaller companies which have got into the market – profitably

Singing in the rain

When a company's name is almost a trade mark for a type of goods, there is an advantage over competitors. Burberry has that advantage because all over the world the name is synonymous with rainwear. And not only that, Burberry is considered to be as English as Beefeaters or Anne Hathaway's cottage. Burberry is part of the English mystique.

The company makes the most of this. Peter Ireton, Burberry's European sales manager, says: 'We are trading very much on the fact that we are well-known as a company and as a trade mark. We are Burberry's and this is accepted as being outside any fashion trends. It exists in its own right.'

Mr Ireton says that Burberry's connection with Germany goes back to before the turn of the century. We know of accounts and customers existing in Germany now who claim that they have traded with Burberry for four generations.'

Burberry's main outlet in Germany today is the specialist outfitter who is proud of the way he serves his customers. Naturally the best-selling line in Germany is rainwear, which Mr Ireton estimates represents about 65 per cent of the company's turnover in value. It is not only men's rainwear that sells well in Germany: ladies' rainwear now accounts for half the sales.

Over the past few years there has been a trend towards a more tailored British look. 'Burberry has benefited from a divided fashion,' says Mr Ireton. 'Some of it is extreme and very possibly exciting. But a lot of it is very classic and is returning to the more sober look and Burberry fits very well into that image.'

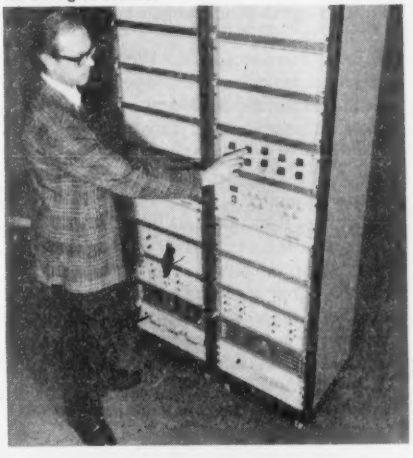
The British look is part of the Burberry marketing scheme. And although the idea of the British look may vary in detail in Germany from, for example, the United States, no basic concession is made to purely German taste. 'Everybody has got a slightly different conception of what Burberry's should be like. But we do not normally take into consideration German fashion tastes of the present or, for that matter, the future,' says Mr Ireton.

Most of the garments sold in Germany by Burberry originate in the United Kingdom. However, Burberry has licensed a local manufacturer who produces clothes under the Burberry label, but there is a strict control of quality, merchandising and marketing.

Burberry's pricing policy in Germany has enabled the company to keep its prices steady. Mr Ireton admits that last year's falling pound had helped Burberry's sales in West Germany. Burberry had adopted a policy of issuing a deutschmark price list. So the fall in the value of sterling had enabled Burberry to absorb increased production costs. 'Our price list expressed in deutschmarks,' Mr Ireton said, 'has remained steady over the last four seasons and this is helpful to the customer.'

Working with a deutschmark price list has enabled the company to relieve the retailer of a lot of paperwork. Burberry provides an all-in invoicing service – with both customs duties and VAT paid.

Marconi Communication Systems Ltd, a GEC-Marconi Electronics company, has won an order to supply its television picture standards conversion equipment, Dice, to the German public corporation Deutche Welle for use in its Cologne studio.



Picking up a Penguin

Since 1970 Penguin Books has set up 15 specialised Penguin bookshops in towns ranging from Aachen to Wurzburg. These shops are described by Tony Moggach, Penguin's European sales and marketing manager, as 'a bookshop within a bookshop'. With this scheme the bookseller sets aside a section or even a small room and devotes this entirely to Penguins and its associated imprints.

'The attraction of this for the bookseller has been that the return from a Penguin bookshop is as high as he would expect from a German section in that bookshop,' Tony Moggach says.

Penguin's expansion in the West German market really started in the late 1960s when it decided to look outside the school and university market – Penguin's traditional market since the end of the second world war. This, Mr Moggach says, was no easy task given the sophistication of the German publishing industry which meant that bookshops had always been primarily interested in German books. Penguin on the latest available statistics had some 63 per cent of the English language paperback market in Germany.

'Our turnover in 1975 was £145,000 which is not very large compared with other areas of commerce and industry, but in publishing terms this is a very significant figure and in volume terms it's something like 500,000 books. We anticipate a growth in the market of somewhere between 20 and 30 per cent a year.'

Penguin's marketing policy has been to market its books as if they were German language books. This means offering the bookseller a return per square metre of shop space equivalent to what he would get selling German paperbacks. Penguin has therefore adopted the West German practice of fixing its selling prices in the market and fixing them at a level that enables the bookseller to get a return which is worthwhile to him.

'The reason for our success,' says Tony Moggach, 'is that we have succeeded in marketing our paperbacks as if they were a German line. This of course depends on having a distributor in Germany who can offer a service to the bookshops which is as good as they can get for a German paperback line.'

Penguin has had the same agent, Hans Hein-

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rich Petersen, ever since the late 1940s. The agency had always been very closely identified with British books in Germany and did much to establish the market for British books.
Tony Moggach felt that it was essential to have an agent, as paperbacks by their very nature demanded a large distribution network which it would be impossible for a British publisher to control in a market as large as West Germany without his own subsidiary companies. There were over 600 bookshops ordering Penguins on a regular basis. 'We would not like to undertake this volume of administration and organisation from a base in the UK,' said Tony Moggach. The agent looks after all the advertising and mailing of catalogues and review copies.
Penguin employed a UK-based representative who travelled the West German market but within the next year or so Penguin would employ a locally based representative.
The market Penguin sells to is the English reading market in a German language country. This means that the first kind of book that the German reader wants is English literature. But since Penguin expanded its marketing operations a considerable market for English language books on social sciences, especially economics, psycology and sociology has been discovered.

Sweet success

When it comes to eating sweets the British can take on all-comers. We chew, crunch and suck our way through nearly 6 kg sweets per head per year compared with West Germans who manage just less than 5 kg each. This taste for the sweet life has had one valuable spin-off – British sugar confectionery is considered to be the best in the world.
George Bassett of Sheffield has taken advantage of this situation.
Bassett is part of a group which includes Barratt, Wilkinson's and recently Purdy's who make gourmet cakes. Bassett is famous in the UK for the liquorice allsorts, but is equally famous in Germany for wine gums.
'There is,' says Aart van Deelen, Bassett's European sales manager, 'a tremendous trade in wine gums on the continent. For example, we started selling wine gums in the German market about four years ago and up till now we have had between 17 per cent and 25 per cent increase each year.'
The reason for the popularity is hard to pinpoint, but as a 'soft-eating sweet', the wine gum goes down particularly well in Germany just now – with adults and children alike.
The retail sweet trade in Germany is highly concentrated. Mr van Deelen estimated that the eight biggest department store groups control about 80 per cent of the retail market. But, says Mr van Deelen, 'there is evidence that people are returning to the habit of buying at the small corner shop'.
Most of the stores buy the sweets for selling loose over the counter and consequently there is little branding. But when there is, Bassett trades on the good name of British sugar confectionery.
'English imagery,' said Derek Goodier, Bassett's group marketing manager, 'is one of the strongest assets we have and we go out of our way to make sure this point is fully exploited. We have, for instance, an English Guardsman on all our bags.'
And Bassett is gradually increasing the range of its own branded products, introducing new packs where its name and branding is obvious.

Not toying around

Mettoy Playcraft has a long connection with the West German market. Its founder was Philip Ullman, a prominent Bavarian toy manufacturer who came to the UK just before the last war. After the war he started to reverse the then prevailing commercial trend, by exporting toys from the UK into Germany.
West Germany is now Mettoy's second largest export market after the United States, accounting for something like 10 to 15 per cent of its export turnover. Total exports account for nearly 50 per cent of the group's total business.
The bulk of Mettoy's export trade to Germany is made up of the Corgi and Corgi Junior range of die-cast model cars. Barry Steer, Mettoy Playcraft's export sales director, says that the best sellers are those specifically designed for the West German market. In 1975 Mettoy brought out a model of the Volkswagen Polo and later produced it in three special versions in the colours of the West German police, as a post office car, and Adac the equivalent of the Automobile Association. One of the company's best sellers is Kojak's Buick, as television has made an impact.
But Barry Steer reckons the West German market is a difficult market to penetrate. 'We visit the market regularly and consult very closely with our German distributor not only about the way we market our products there but also about the sort of products we should be introducing.'
Department stores and specialised toy shops make up the main outlets for Mettoy's products. 'The retail toy trade in Germany is probably better organised than in most other countries of the world. They have specialist toy shops throughout Germany and they are very strongly organised into buying chains so they have a lot of buying strength.'
As in the UK, it is the Christmas season, roughly from the end of October, that the toy trade comes into its own. Most of the department stores start putting in special toy departments and Mr Steer estimates that most department stores do 60 to 70 per cent of their toy business in the last two months.
'Certain products sell on a seasonal basis,' says Mr Steer, 'Our Wembley range includes kites – we sell kites very successfully in Germany – and the season for these is the autumn. We sell play balls very successfully in the spring and summer but toys generally are geared very much towards Christmas.'
The Petite typewriter chalks up as much as 80 per cent of the whole year's sales in November and December.
Mr Steer stressed that it was no good approaching the market in a half-hearted way. 'You've got to make up your mind that if you want to sell to Germany you have to become totally involved. You will only sell your products if they are right for the market; the packaging has to be right; and your advertising and sales promotional material must obviously be in German and geared to the needs of the market.
'The most important thing is to be totally professional and very thorough and very involved. Either make up your mind that you want to sell to Germany and do it properly or don't do it at all.'

Fur den Geschäftsmann

Neben Marktberichten wie 'Into West Germany' enthält 'Trade and Industry' zahlreiche Informationen, die für Ihre Organisation/Firma von beachtlichem Nutzen sein können.
Insbesondere der statistische Teil vermittelt Ihnen ein detailliertes und aktuelles Bild von Handel und Industrie in Großbritannien.
Der Index am Ende des statistischen Teils enthält ein Verzeichnis der wichtigeren Kategorien.
Bitte benutzen sie das Abonnementsformular am Ende der Zeitschrift (der Bestellung bitte Bargeld oder Scheck beilegen), damit Sie regelmäßig Ihr Exemplar erhalten.

Contact points for exporters to West Germany

In the UK

Exports and Promotions Division, Department of Trade, Export House, 50 Ludgate Hill, London EC4M 7HU. Tel 01-248 5757, telex 886143 a/b DTIEXPORT LDN

Commercial Relations and Exports Division, Department of Trade, 1 Victoria Street, London SW1H 0ET. Tel 01-215 4284, telex 27366 and 917929 a/b DTIHQ LONDON

German Chamber of Commerce in the UK, 11 Grosvenor Crescent, London SW1. Tel 01-235 0691, telex 919442 a/b GERMAN G

In the federal republic and West Berlin

Senior British commercial representative

BONN. Minister (Economic), British Embassy, 5300 Bonn/Friedrich-Ebert Allee 77. Tel 234061, telex 886887 a/b BRINF D

British commercial representatives in main cities

BERLIN. Consul General, British Consulate-General, 1000 Berlin 12/Uhlandstrasse 7-8. Tel 3095295, telex 184268 a/b UKBLN D

DÜSSELDORF. Consul General, British Consulate-General, Nordsternhaus, 4 Düsseldorf/Georg-Glockstrasse 14. Tel 434281-5, telex 8-584855 a/b COM D

FRANKFURT. Consul General, British Consulate-General, 6000 Frankfurt/Main/Bockenheimer Landstrasse 51/53. Tel 720406, telex 414932 a/b UKFFT D

HAMBURG. Consul General, British Consulate-General, 2000 Hamburg 13/Harvestehuderweg 8a. Tel 446071/5, telex 213562 a/b BRHBG

HANOVER. Consul General, British Consulate-General, 3000 Hanover/Uhlemeyerstrasse 9-11. Tel 327641, telex 9-23263 a/b BCGHN D

MUNICH. Consul General, British Consulate-General, 8000 Munich 40/Amalienstrasse 62. Tel 394015/9, telex 529959 a/b UKMUN D

STUTTGART. Consul General, British Consulate-General, 7000 Stuttgart/Kriegsbergstrasse 28. Tel 293216/8, telex 722397 a/b UKST D

British-German Trade Council, c/o British Embassy, 5300 Bonn/Friedrich-Ebert Allee 77. Tel 234061, telex 886887 a/b BRINF D

The German Connection?

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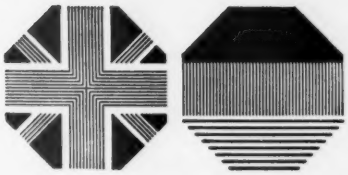

Whether your aim is to get started or extend your business in the Federal Republic of Germany, the German Chamber of Industry and Commerce in London should be your first port of call. It may be that you wish to establish contacts; set up a German subsidiary; invest; buy from or sell to German industry; or just get the feel of the market. In all these cases you can rest assured that you can get expert assistance and advice in English or German from the German Chamber. For it is our aim to promote British-German trade in both directions.
If you join the Chamber, you are assured of the many benefits listed below.

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Overseas trade news

Steel from Austria: dumping probe . . .

Following an application made under the Customs Duties (Dumping and Subsidies) Act 1969, the Department of Trade is to conduct an anti-dumping investigation into imports from Austria of certain high-speed and tool-steel bars, used principally in the engineering industry. These are at the low-volume, high-value end of the steel market.

The investigation will cover all imports of high-speed and tool-steel bars from Austria which are not the subject of the association agreement between Austria and the European Coal and Steel Community (ECSC).

Trade in ECSC products is governed by rules which specify how and in what circumstances prices may be aligned down to meet competition from other sources. Appropriate steps are being taken to ensure that these rules are complied with.

A statement of the applicant's case against imports of high-speed and tool-steel from Austria will be made available to interested parties who give an undertaking to treat the information contained in the statement in strict confidence. Any representations in connection with this application should be submitted in writing not later than 29 April 1977. Such representations, in summarised form and without attribution to the source, may be passed to the applicant for comment. Those making the representations, should stipulate any particular matters which they do not wish to be disclosed.

Any representations and requests for copies of the statement, together with an undertaking to treat it in strict confidence, should be sent in writing to General Division, Department of Trade, Room 348 Kingsgate House, 66-74 Victoria Street, London SW1E 6SJ.

Other applications

The department has also received anti-dumping applications concerning 'special' steels (a term covering high-speed, tool and stainless steels) imported from Japan, Sweden and Spain.

In September 1976 the Japanese gave the commission forecasts of their exports to the UK of high-speed, tool and stainless steel bar this year. The forecast for stainless steel only ran up to June 1977, and discussions are taking place this week about the level of stainless-steel shipments in the second half of the year.

The allegations against Sweden concern high-speed and tool-steel bars. The Swedish authorities are at present examining detailed allegations both of breaches of the ECSC alignment rules and of dumping of those products which are not covered by the ECSC regulations.

The formal investigation into stainless steel from Spain is nearing completion and an announcement will be made shortly.

. . . and provisional charge on SA steel bars extended

The provisional charge to anti-dumping duty on steel reinforcing bars originating in South Africa has been extended for a further three months. The rate of the charge remains unchanged at £38 per tonne.

The original provisional charge imposed on 24 December expired on 24 March and the extension runs from that date until 24 June unless previously revoked.

The extension is necessary to permit the Department of Trade to complete its anti-dumping investigation. An investigation team recently returned from South Africa where they made detailed inquiries of the firms involved and held discussions with the South African Department of Commerce. The team is now assessing the information it has obtained.

A provisional charge is not a duty as such, but a security in the form of a cash deposit which will be required from importers or their authorised agents by Customs and Excise for the payment of any definite anti-dumping duty which may be subsequently imposed.

Such a definitive anti-dumping duty may be made retrospective to the date of imposition of the provisional charge but not before, and the rate of any retrospective duty cannot be higher than the provisional charge.

UK-Bulgarian talks

Prospects for increased trade were examined at the annual meeting of the UK-Bulgarian joint commission, which met in London from 28 to 30 March.

The Bulgarian delegation was led by Peter Bashikarov, Deputy Minister of Foreign Trade, and the UK team was headed by Lionel Lightman, under secretary at the Department of Trade.

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Notices to importers

Issued by the Department of Trade, Import Licensing Branch, Charles House, 375 Kensington High Street, London W14 8QH. Telephone inquiries should be addressed to the number at the end of the notice.

1607: Imports of bananas from the dollar area

To offset expected shortfalls in supplies of fresh bananas to the UK from other sources, a further supplementary quota of 4,000 tonnes has been established for imports from the dollar area.

In order to ensure continuity of imports, the supplementary quota will be allocated between existing licence holders, having regard to the use they have made of their allocations under the current quotas for 1976-77.

Import licences will be issued to importers against their allocations only for those amounts for which they can produce evidence of a firm contract with the overseas supplier.

Licences issued under these arrangements will be valid for three months. The dollar area as defined in the open general import licence means Bolivia, Canada, Colombia, Costa Rica, Cuba, the Dominican Republic, Ecuador, El Salvador, Guatemala, Haiti. the Republic of Honduras, Liberia, Mexico, Nicaragua, Panama, the Philippines, the United States of America and Venezuela.

Inquiries: Import Licensing Branch, tel. 01-603 4644, ext. 281.

Seminar on 'organising multinationals'

A seminar for senior management on 'organising multinationals' is being arranged by Brunel University and the International Business Unit (IBU) of the University of Manchester Institute of Science and Technology.

The seminar will be held at the Heathrow Hotel from 25 to 27 May. The subjects to be covered include: the major options in multinational organisation; product organisation and national differences; national differences and multinational organisation; and selecting and developing staff in the multinational enterprise.

Further information can be obtained from the IBU, University of Manchester Institute of Science and Technology, 'R' Floor, Velvet House, Sackville Street, Manchester M60 1QD, tel. 061-236 3311, ext. 2402.

The IBU was set up in 1970 to develop and make use of many man-years of research into various aspects of international trade. Its aim was to build up, through research, analysis and collation of data on the operations of international companies, a comprehensive knowledge-bank which could be used by both industry and the academic world.

Over the past six years the unit has established a large information centre with thousands of files on different aspects of doing business abroad. Its team of 20 researchers possesses a wide range of skills and experience and, in addition to their work within the unit, they are all available for special projects for companies.

Inquiries to the unit range from the selection of the first agent to the reorganisation of major international companies. Also available to companies are the course and teaching materials which the IBU has developed with financial assistance from the British Overseas Trade Board.

Fees for IBU's service range from basic subscriptions of £250 a year, which enable the user to have extensive access to the facilities, to negotiated terms for large projects (special reduced rates are available for educational establishments). Firms are encouraged to send representatives to test the system by some free inquiry. Further details may be obtained from Dr M. Z. Brooke, at the address above.

Dumping investigation into Swedish breathing apparatus

A full investigation into the alleged dumping of compressed-air breathing apparatus originating in Sweden will be conducted by the Department of Trade. This follows an application made under the Customs Duties (Dumping and Subsidies) Act 1969.

The apparatus concerned is used mainly in firefighting or when working in toxic atmospheres.

A summary of the applicant's case will be made available to interested parties who give an undertaking to treat the information contained in the summary in strict confidence. Any representations in connection with this application should be submitted in writing not later than 25 April. Such representations, in summarised form and without attribution to the source, may be passed to the applicant for comment. Those making the representations should stipulate any particular matters which they do not wish to be disclosed.

Requests for copies of the summary, together with an undertaking to treat it in strict confidence, and any representations should be sent in writing to General Division, Department of Trade, Room 308 Kingsgate House, 66-74 Victoria Street, London SW1E 6SJ.

Trade inquiries: 01-215 3881.

Temporary admission carnets

Iran and Cyprus have been admitted to the ATA (temporary admissions) carnet convention. The use of carnets in these two countries will be permitted for: professional equipment; international trade fairs and exhibitions; and commercial samples.

The current list of countries who are members of the ATA carnet convention is as follows:

Australia; Austria; Belgium; Bulgaria; Canada; Cyprus; Czechoslovakia
Denmark; Finland; France; Germany; Gibraltar; Greece
Hong Kong; Hungary; Iceland; Iran; Ireland; Israel; Italy; Ivory Coast
Japan; Luxembourg; Netherlands; Norway; Poland; Portugal; Romania
South Africa; Spain; Sweden; Switzerland; Turkey; United Kingdom; United States; Yugoslavia

ATA carnets are international customs documents issued by chambers of commerce allowing the temporary importation of goods free of customs duties, taxes, etc, and without the necessity of raising bonds or depositing amounts for duty, and completing customs documentation, in foreign countries.

Exemption of international trade consumer credit agreements

An order* which comes into operation today (1 April) exempts, among other things, consumer credit agreements made in connection with international trade from certain of the provisions of the Consumer Credit Act 1974.

The relevant article – 3(1)(d) – states that 'The act shall not regulate a consumer credit agreement which is .... any agreement made in connection with trade in goods or services between the United Kingdom and a country outside the United Kingdom or within a country or between countries outside the United Kingdom, being an agreement under which credit is provided to the debtor in the course of a business carried on by him.'

Further details of this and other orders recently made under the Consumer Credit Act 1974 were published in *Trade and Industry*, 11 March, and copies of the order may be obtained from Her Majesty's Stationery Office, price 35p.

*The Consumer Credit (Exempt Agreements) Order 1977, (SI 1977 no. 326)

Junior chamber £1,000 research award

An award of £1,000 in the form of a travel bursary to a person over the age of 18 and residing in the south-west of England will be made by the Bristol Junior Chamber of Commerce and Shipping. The award is to enable the winner carry out research into a specified export-orientated project.

Candidates must submit a paper detailing their research topics and the award winner will have nine months in which to conduct the research.

The junior chamber envisages making the award to a candidate who wishes to research into new methods of finance, marketing or trading in an overseas market.

The award winner will be expected to prepare a thesis which should be of benefit to individuals and exporters.

ECGD general purpose lines of credit

The table below (and on page 844) lists lines of credit guaranteed by the Export Credits Guarantee Department under which there is capacity for further export business to be financed as at March 1977.

Departmental reference	Ext. at ECGD HQ	Recipient country	Borrower	UK bank	Purpose	Loan value £m	Minimum single contract value £'000s	Final date for entering into contracts
LC 499	281	Brazil	Banco Nacional do Desenvolvimento Economico	Lloyds Bank International	Capital and semi-capital goods and associated services and project business	20	100	6 May 1978
LC 612	7575	Bulgaria	Foreign Trade Bank	Lloyds Bank	Capital goods and associated services	1	5	30 April 1977
LC 381	7575	Czechoslovakia	Ceskoslovenska Obchodni Banka AS	Lloyds Bank	UK capital goods and associated UK services	2	5	30 June 1978
LC 684	654	Finland	Bank of Helsinki	S. G. Warburg	Plant, equipment and associated services	1	10	10 October 1977
LC 680	654	Finland	Oy Wartsila AB	Scandinavian Bank	Capital plant and equipment	1.5	10	December 1977
LC 672	7368	France	Credit Industrial et Commercial	Nat Westminster	UK capital plant and equipment and associated services	1	10	15 March 1977
LC 527	7575	GDR	Deutsche Aussenhandels Bank	Williams and Glyn's Bank Ltd	Capital goods and associated services	2	10	31 October 1977
LC 618	7368	German Federal Republic	Commerzbank AG	Lloyds Bank	UK plant, equipment and associated UK services	2	30	31 May 1977
LC 640	558	Guyana	Guyana National Co-operative Bank	Lloyds Bank	UK capital plant, equipment and associated services	4	15	30 April 1978
LC 685	7575	Hungary	Nat Bank of Hungary	Morgan Grenfell	UK capital plant, equipment and associated UK services	5	5	15 July 1978
LC 551	351	Costa Rica	Banco Central de Costa Rica	Lloyds Bank	Capital and semi-capital goods and services	2	10	30 April 1977
LC 584	7306	Indonesia	Indonesia Government	Lloyds Bank	Constructional work equipment and land reclamation machinery, capital equipment	20	200	15 May 1977
LC 386	7368	Irish Republic	Allied Irish Investment Bank	N. M. Rothschild and Sons Ltd	UK capital goods and associated services	2	10	31 March 1977
LC 692	7368	France	Banque de Paris et des Pays-Bas (Baribas)	Nat Westminster	UK capital plant and equipment and associated UK services	1	30	22 October 1977
LC 676	7368	France	Banque Nationale de Paris SA	Barclays Bank International	UK capital goods and associated services	2	10	29 June 1977
LC 511	7368	Irish Republic	Bank of Ireland Finance Ltd	Nat Westminster	UK plant, equipment and associated UK services	1	10	Extended to 31 August 1977
LC 638	7368	Irish Republic	Algemene Bank Nederland (Ireland) Ltd	Lloyds Bank	Capital plant, equipment and associated services	1	10	31 July 1977
LC 639	7368	Irish Republic	Bank of Ireland	Morgan Grenfell and Co Ltd	Capital plant, equipment and associated services	2	10	30 June 1977
LC 720	7368	Irish Republic	Industrial Credit Co	Nat Westminster	UK capital goods and associated UK services	2.5	30	31 January 1978
LC 540	7368	Israel	Bank Hapoalim	N. M. Rothschild	UK capital goods and associated UK services	5	10	31 December 1976 (extension under consideration)
LC 664	7368	Israel	Bank Leumi le Israel BM	N. M. Rothschild	UK capital plant, equipment and associated UK services	5	10	22 April 1977
LC 636	7368	Israel	Industrial Development Bank of Israel	Warburgs	UK capital goods and associated services	3	10	30 June 1977
LC 732	7368	Israel	First International Bank of Israel Ltd	N. M. Rothschild and Sons Ltd	UK capital goods and associated UK services	1	20	28 October 1977
LC 734	7368	Israel	United Mizrahi Bank Ltd	Manufacturers Hanover Export Finance Ltd	UK capital plant and equipment and associated UK services	1	10	9 February 1978
LC 687	471	Kenya	Industrial Development Bank Ltd	Morgan Grenfell and Co Ltd	UK plant and equipment and associated UK services	2	125	30 June 1978
LC 599	471	Kenya	Development Finance Co of Kenya Ltd	Manufacturers Hanover Export Finance Ltd	UK plant and equipment and associated UK services	1	25	24 April 1978
LC 557	339	Korea South	Korea Development Bank	Nat Westminster	Capital goods and associated services	2	10	5 July 1977
BC(MC) 37/99029	351	Mexico	Petroleos Mexicanos	Baring Bros	Capital goods and services	20	20	1 August 1978 (polyethylene plant contracts)
							50	1 February 1978 (other contracts)
LC 502	7389	New Zealand	National Bank of New Zealand	Lloyds Bank	Capital goods	2	10	31 March 1977
LC 106	7306	Philippines	Manila Electric Co Meralco	Schroder Wagg	Capital plant and equipment for electrical transmission and distribution	3	50	22 January 1978
LC 428	7574	Poland	Bank Handlowy	Nat Westminster	Capital goods and associated UK services	20	50	20 March 1977
LC 708	7574	Poland	Bank Handlowy	Midland Bank	Capital goods and associated UK services	10	10	24 March 1978
LC 661	7574	Poland	Bank Handlowy	Lloyds Bank	Capital plant and equipment and associated services	2	10	8 August 1977
LC 709	7574	Poland	Bank Handlowy	Lloyds Bank International	Capital goods and associated UK services	10	10	27 March 1978
LC 406	654	Portugal	Banco Fomento Nacional	Midland Bank	Capital plant and equipment	3	25	31 March 1977
LC 754	654	Portugal	Sociedade Financeira Portuguesa	N. M. Rothschild	Capital plant and equipment	5	20	7 March 1978
LC 505	7575	Romania	Foreign Trade Bank	Lloyds Bank	UK capital goods and associated UK services	7	5	30 June 1978
LC 510	7575	Romania	Foreign Trade Bank	Barclays Bank International	UK capital goods and associated UK services	3	5	30 May 1977
LC 741	7575	Romania	Foreign Trade Bank	Lloyds Bank	UK capital goods and associated UK services	5	20	28 February 1978
LC 649	7442	South Africa	Standard Merchant Bank	Standard Chartered Ltd	Capital goods and services	2	15	31 March 1978
LC 659	7442	South Africa	SARHA	Hill Samuel	Railway equipment	30	100	1 October 1977
LC 650	7442	South Africa	French Bank of South Africa	Morgan Grenfell	Capital plant and equipment	2	30	31 January 1978
LC 576	654	Spain	Banco Int de Comercio	Kleinwort Benson Ltd	Plant and equipment	1	100	31 August 1977
LC 444	654	Spain	Bank of London and South America	Lloyds Bank	Capital plant and equipment	2.7	10	31 March 1977

Departmental reference	Ext. at ECGD HQ	Recipient country	Borrower	UK bank	Purpose	Loan value £m	Minimum single contract value £'000s	Final date for entering into contracts
LC 558	654	Spain	Banco Catalana	Standard Chartered Ltd	Capital plant and equipment	1	10	17 January 1977
LC 633	654	Spain	Banco Industrial de Catalina	Standard Chartered	Capital plant and equipment	0.5	10	30 November 1977
LC 382	654	Spain	Banco de Bilbao	Hill Samuel and Co Ltd	Plant and equipment	5	10	30 June 1977 Supplemental in negotiation
LC 710	654	Spain	Banco Hispano Americano	Midland Bank	Capital plant and equipment	1	30	1 September 1978
LC 718	654	Spain	Banca Catalana	Standard Chartered	Capital plant and equipment	1	30	31 March 1978
LC 589	654	Sweden	Skandinaviska Enskolda Banka	Scandinavian Bank	Plant, equipment and associated services	1	10	31 October 1977
LC 624	654	Sweden	Gotabanken	Lloyds Bank	Capital plant and equipment	2	10	31 July 1977
LC 717	654	Sweden	Svenska Handelsbanken	Midland Bank	Capital plant and equipment	1	30	31 March 1978
LC 553	654	Sweden	Granges AB	Lloyds Bank	Capital plant and equipment	1	30	15 December 1977 (supplemental)
LC 617	654	Sweden	Kockums Industri	Scandinavian Bank	Capital plant and equipment	2	100	2 March 1978
LC 508	351	USA (for buyers in USA, Canada, Mexico, Venezuela, Brazil or Colombia or in markets later approved by ECGD)	North Carolina National Bank	Nat Westminster	UK goods and associated services	1	50	15 July 1977
LC 645	7573	USSR	Vneshtorgbank	Morgan Grenfell	Capital goods and associated services	10	50	31 October 1977
LC 646	7573	USSR	Vneshtorgbank	Lloyds Bank	Capital goods and associated services	10	50	31 October 1977
LC 523	7575	Yugoslavia	Yugoslav Investment Bank	Barclays Bank International	UK capital goods and associated UK services	8	10	30 April 1977
LC 563	7575	Yugoslavia	Privredna Banka Zagreb	Lloyds Bank International	UK capital goods and associated UK services	5	10	31 March 1977
LC 626	7575	Yugoslavia	Stopanska Banka Skopje	Lazard Bros	UK capital goods and associated UK services	3	100	31 December 1977
LC 701	7575	Yugoslavia	Titograd Investment Bank	Lloyds Bank	UK capital goods and associated UK services	10	10	31 March 1978
LC 746	7575	Yugoslavia	Yugoslav Investment Bank	Barclays Bank International	UK capital goods and associated UK services	10	20	7 March 1978
BC(MC) 19/99030	471	Zambia	Roan Consolidated Mines	Morgan Grenfell	UK capital plant and associated UK services	2.080	10	8 March 1978
BC(MC) 2/99045	471	Zambia	Nchanga Consolidated Copper Mines	Standard Chartered Merchant Bank	UK capital plant and associated UK services	4	40	4 March 1978

1 Requests for further information on any of these lines of credit should be made to the bank concerned or to Export Credits Guarantee Department, PO Box 272, Aldermanbury House, Aldermanbury, London EC2P 2EL (tel. 01-606 6699, extensions as listed in the second column).

2 Exporters when negotiating business which might be financed under one of the above lines of credit, should ensure that their contract price contains sufficient margin to cover the cost of any premium payable. These details can be obtained from the bank concerned.

Benefits of foreign currency finance - ECGD head

Exporters saw benefits to themselves in being able to contract in foreign currency, said Kenneth Taylor, secretary of the Export Credits Guarantee Department, in London on 24 March.

Kenneth Taylor, Secretary of ECGD speaking at the CBI seminar.

Speaking at a Confederation of British Industry seminar on 'Export Finance in Foreign Currencies' he said that, by being able to contract in currency, exporters were obtaining a greater stability in their prices and taking the benefits of the sterling premium available on the forward exchange markets. This afforded them the opportunity to quote a lower and therefore more competitive price or to take additional profit, which could be used to reinforce their marketing strength generally.

Interest rates

From the government's point of view, foreign currency had been and still was attractive because in general the interest rates ruling in the Euromarkets were almost always lower than sterling rates, and therefore offered a potential source of saving on public expenditure.

'Given the high cost of sterling financing,' Mr Taylor said, 'and the reduced returns to the balance of payments arising from its use, it was clear that the sterling scheme could not go on growing as it had; there would have to be cutbacks.'

Mr Taylor also said that the UK was perhaps in a unique position to take advantage of this new source of funding for export contracts as London was the centre of the Euro-currency market.

For ECGD the new facility represented a continuing programme which would become an even more important aspect of its activities in the years to come.

Portuguese line of credit backed by ECGD

A £5 million line of credit, which N. M. Rothschild and Sons acting on behalf of a consortium of London and Scottish Clearing Banks has made available to Sociedade Financeira Portuguesa EP, Portugal, is being backed by the Export Credits Guarantee Department.

UK capital equipment

The loan will enable buyers in Portugal to place orders in the UK for capital plant and equipment. UK suppliers will receive 85 per cent of the contract value from the loan; the remaining 15 per cent is payable from the buyer's own resources. To qualify under the terms of the loan a contract must have a minimum value of £20,000 and be placed by March 1978.

Previous ECGD-guaranteed lines of credit made available to Sociedade Financeira by N. M. Rothschild have enabled contracts to

be placed with UK suppliers for a wide variety of capital equipment for Portuguese industry. A total of £15 million has been made available under these lines.

Information office at Hanover fair

At this year's Hanover trade fair to be held from 20 to 28 April there will be an official British trade information office in the Internationalen Treffpunkt in Congress-Centrum, in the Mittelallee.

It will be manned by members of the commercial section of the British consulate-general in Hanover with the assistance of members of other British consulates-general in the federal republic and the British embassy in Bonn.

The function of this office is to receive trade inquiries from buyers and agents, maintain close links with the Department of Trade and to assist British exhibitors with their commercial activities. The telephone number of the office will be Hanover 89-3211/12 from 20 April. The telex number is 9230323 and the answer back is 'brfr d'.

Hints to business men booklets

A revised edition of the booklet on Malta has been published in the *Hints to business men* series. British business men who intend visiting this country on export business can obtain copies of the booklet from Export Services and Promotions Division, Department of Trade, Room D 05, Export House, 50 Ludgate Hill, London EC4M 7HU, tel. 01-248 5757 ext. 7146, or any regional office of the Department of Industry.

Advertisements are accepted for all booklets in the series which covers over 100 countries. Inquiries about advertising should be addressed to Cheiron Press Ltd, 8/10 Parkway, London NW1 7AD, tel. 01-267 1285.

Japanese trade visit to Birmingham

On 28 and 29 March in Birmingham, 16 UK representatives of major Japanese trading companies met west Midlands businessmen. They also visited plants and factories in the region.

The visit was arranged and sponsored by the Japan task force which was set up in November 1976.

The purpose of the visit was to show, at first hand, the strength and capabilities of British industry to the London-based staff of major Japanese corporations.

On 28 March, the British Overseas Trade Board and the Birmingham Chamber of Industry and Commerce co-hosted a dinner attended by 15 senior Birmingham businessmen and the Japanese visitors.

The following day the Japanese party visited Rolls Royce at Ansty and J. C. Bamfords at Uttoxeter.

In the afternoon of 29 March over 40 Birmingham businessmen attended a seminar at the Metropole Hotel, Birmingham, when a speaker from the Japan Trade Centre spoke on 'Developing Export Opportunities in Japan' and a representative from the Mitsui Co. spoke on 'Practical Advice on Exporting to Japan'.

Members of the Japan task force include the British Overseas Trade Board, the Japanese embassy, the Japanese Chamber of Commerce and Industry in London, the Japan External Trade Organisation, and the CBI.

The aim of the task force is to strengthen co-operation between the Japanese business community in Britain and British industry and commerce, so as to promote the expansion of British exports to Japan – including co-operation in third markets.

UK participation in Asian Bank projects

There are prospects of increased UK participation in Asian Development Bank projects as availability of funds increases. This was the message put forward by Stanley Fryer, executive director of the Asian Development Bank for the UK, West Germany and Austria, when he addressed consultants, contractors and manufacturers at the London Chamber of Commerce and Industry on 23 March and at the British Consultants Bureau on 24 March.

At 31 December last year contracts totalling $68 million had been awarded to UK firms. However, the bank, which celebrates its tenth anniversary this year, is only just getting into its stride and its lending programme will be increasing sharply over the next few years.

Stanley Fryer (seated left at the table), UK director of the Asian Bank, addresses members of the British Consultants Bureau on 24 March.

Situated in Manila, the bank makes loans to its developing member-countries in Asia and the South Pacific for a wide range of development projects. Loans since 1968 have been made to the following sectors: agriculture and agro-industry (23 per cent), industry including development banks (23 per cent), public utilities (33 per cent), transport and communications (20 per cent) and education (1 per cent).

Mr Fryer stressed the need for firms to maintain close contact with the Projects Sub-section of the British Overseas Trade Board at Export House, 50 Ludgate Hill, London EC4M 7HU, which receives early notification of all Asian Development Bank projects and disseminates that information to UK exporters.

BTTG visits Abu Dhabi

Members of the British Technology Transfer Group (BTTG) set off on their second mission, this time to Abu Dhabi on 17 March; left to right: Terry Flanagan (Sira Institute Ltd), Paul Cautley (Strategy Ltd), Ron Brooks (John Laing R and D Ltd), Steve Stevenson (Lee Howl and Co Ltd), Douglas Pinto (Pinto and Partners), Rodney Day (Parkman Consultants), Mel Haigh (White-Young Petrochemicals Ltd), and William Langford (Northcroft, Neighbour and Nicholson). The first BTTG mission visited Libya from 15 to 20 February.

Overseas trade exhibitions

British agriculture firms draw crowds in Paris

From Robert Hyde, British embassy, Paris

British exhibitors were prominent at this year's Paris Salon International de l'Agriculture, the fourteenth, which took place from 6 to 13 March at the Porte de Versailles exhibition park. It was held within the framework of International Agriculture Week, which as usual also took in the Salon International de la Machine Agricole, the Salon International de la Motoculture de Plaisance-Jardinage and the Salon International d'Aviculture.

For the eighth year running, the British Agricultural Export Council sponsored a joint venture at the agriculture show and, as in 1976, the group in the livestock section contained 24 exhibitors. The successful market town theme used for the grouped stands in 1975 and 1976 was changed this year to an attractive design featuring the British countryside. The UK had the largest foreign participation, and the stands drew large crowds throughout the week.

A number of British exhibitors did exceptionally well; among them was Nustock, whose Friesians attracted orders worth well over £1 million, and the British Livestock Co and Taurus Exports, who also both topped the £1 million mark with orders for their pedigree animals and commercial calves respectively.

In the particularly busy food hall, the Meat and Livestock Commission again enjoyed great success with their meat sales off the stand; large quantities of excellent British lamb were snapped up daily for French kitchens. The impressive promotion by the Meat Promotion Executive of the Meat and Livestock Commission at the agriculture show was supplemented by a seminar on British vacuum-packed meat arranged in conjunction with the British embassy, which entertained a dozen representatives from UK abattoirs and meat-cutting plants and over 30 representatives of important French retail groups. The Highlands and Islands Development Board again had a very lively stand, with their steak bar again a great attraction.

Close on 70 British companies took part in the agricultural machinery exhibition, which can now fairly claim to be the leading international exhibition in its field. Fourteen British companies, three more than in 1976, took part in a joint venture sponsored by the Agricultural Engineers Association and a number of them obtained very satisfactory results. Notably successful among the British exhibitors were Wright Rain, Archie Kidd and E. H. Bentall, all of whom were returning to the exhibition after successful participation in previous years, and McMaster Engineering, a newcomer from Northern Ireland, whose potato-handling equipment attracted particular interest.

The President of the Republic and the Prime Minister, Raymond Barre, both called at the British stands in the agriculture show during their official visits, while the French Minister of Agriculture, Christian Bonnet, paid them great attention in opening the event. British ambassador Sir Nicholas Henderson visited a number of British stands at both salons on 7 March, and on the Thursday of agriculture week, designated 'British Day', Edward Bishop, Minister of State at the Ministry of Agriculture, Fisheries and Food, also toured UK exhibits.

British Day concluded with a BAEC reception when the commissioner general of the Agriculture Show, Marc Couillens, presented to John Thorneloe, BAEC chief executive, the order of Chevalier du Mérite Agricole, awarded to him by the French government.

Provisional attendance figures at this semi-public event were slightly down on last year, mainly due no doubt to the fact that the first and second rounds of the French municipal elections fell on the opening and closing days of agriculture week, but the number of visitors nevertheless again approached one million, and there can be no doubt that this prestigious assembly of exhibitions once again registered an outstanding public and commercial success.

On the Wright Rain stand at the Paris agricultural machinery show (left to right): Sir Nicholas Henderson (British ambassador), Robert Hyde (second secretary, commercial, British embassy), Mr D. G. O'Neill (assistant overseas secretary, Agricultural Engineers Association), and Mr P. Saunders of Wright Rain Ltd.

Three golds for Britain at Leipzig

Britain's presence at the Leipzig spring fair, which took place from 13 to 20 March, was again one of the largest from the western world. Over 180 British firms exhibited or were represented. There were two sponsored by the British Overseas Trade Board – one with the Birmingham chamber of commerce with 19 companies involved in engineering, metal working and handtools, and the other with the Scientific Instrument Manufacturers Association with 15 participants.

The British ambassador gave a reception for the joint-venture exhibitors which was attended by a wide range of high-level officials and representatives of GDR foreign trade enterprises. A trade mission sponsored by the North of England Development Council paid a three-day fact-finding visit to the fair and made useful contacts.

British firms won three gold medals, Gunson's Sortex (for electronic colour separation equipment), Rank Xerox (3103 photocopier) and the Solartron Electronic Group Ltd (digital voltmeter 7075).

During the fair the Minister of Foreign Trade, Herr Sölle, held talks with the commercial counsellor on the development of trade between the UK and the GDR and the Deputy Minister of Foreign Trade, Dr Schwierz, toured the Birmingham joint-venture exhibit.

British exhibitors reported a large number of contacts with other Comecon countries, which has always been a feature of the Leipzig fairs. Although no attendance figures are published, it is estimated that about 100,000 people visited the fair, of which more than half were from eastern Europe.

The number of GDR business visitors was thought to be slightly below that of last year, perhaps reflecting the GDR's shortage of foreign exchange. There was a strong emphasis at the fair on counter-trade and co-operation in third markets. Despite the shortage of western currency, however, a number of British exhibitors reported useful orders and good prospects of futher business.

The next Leipzig fair will take place from 4 to 11 September, with an emphasis on the chemical and automotive industries and on consumer goods.

Caracas yields £9m in orders

Sales of nearly £9 million have so far been reported from the British industrial exhibition in Caracas, which closed on 24 March. Many contracts covering joint-venture schemes and agreements to manufacture under licence have also been signed.

At the closing ceremony, Viscount Montgomery, vice-president of the exhibition, said the event had been a perfect vehicle to convince Venezuelan businessmen that Britain can supply both equipment

and 'know-how'. He went on to say that the contracts made and the negotiations started called for an immense and continued effort by all exhibitors.

The British Overseas Trade Board and Canning House are now planning further trade initiatives which include the visit of Secretary of State for Trade Edmund Dell during this summer at the invitation of the Venezuelan government.

The exhibition, which took place between 14 and 24 March, was held against the background of an increase in British exports to Venezuela from £50.3 million in 1974 to £128.8 million in 1976. More than 45,000 visitors, including 15,250 buyers from Venezuela and 11 other Latin American countries, saw displays mounted by the 225 participating British manufacturers.

BOTB vice chairman, the Duke of Kent, visiting the stand of J. C. Bamford Excavators in Caracas. During the 10-day exhibition, the company took orders worth over £380,000.

UK d-i-y firms at Houston

From Mr G. S. W. Gush, British consulate-general Houston

Eleven British manufacturers in a first joint venture with the Building Centre Group, London, and the British Overseas Trade Board, participated in the home centre/home improvement 1977 congress and exposition held from 13 to 16 March in New Orleans. The show was held for the first time last year in Chicago, and was expressly conceived to promote the do-it-yourself home-improvement market, a market whose annual sales now run at about $25 billion.

Over 900 firms exhibited, requiring not only the whole ground floor and first exhibit tier of the Superdome, but also the entire ground floor of the Rivergate Convention Center. The show attracted 15,000 representatives of chain home centres, multiple stores, selling organisations, distributors and manufacturers' agents from South America and all parts of the United States and Canada, among other countries. The British companies occupied a favourably situated site on the ground floor of the Superdome, in the middle of some very well-known

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ENCIRCLE TI 449 ON PAGE 870 FOR FURTHER INFORMATION

American manufacturers, including General Electric, Corning, Rockwell and Honeywell.

The British companies learned much about the United States home-improvement market, including current sales trends, the design, packaging and prices of competing products, selling methods, operating costs and, not least, about the rich rewards to be won.

The standard of exhibits, both in the Superdome and the Rivergate, was generally considered to be high and the great majority of visitors were of a senior level who had decision-making responsibility. The eight companies seeking representatives had encouraging discussions with a number of selling organisations, agents and distributors, and thought it highly probable that they would reach representational agreements with United States firms as a result of the show. Most of the British companies were well pleased with the results of the joint venture and said that they would be willing to take part in next year's show which will be held in March at the Convention Center in Dallas.

UK exhibitors steal US cycle show

By Benjamin Serra, British trade development office, New York

There was no doubt that the 18th international cycle show, held at the New York Coliseum from 20 to 22 February, was dominated by the British exhibitors because of their continuing ingenuity in the bicycle field.

Among the 14 British exhibitors who took part in a joint venture sponsored by the Cycle and Motor Cycle Association and the British Overseas Trade Board at the 1977 show were two particularly outstanding British exhibits. One was the Bickerton fold-up cycle – weighing less than 9kg – acclaimed as the first bicycle capable of being carried. The Bickerton stand was one of the few stands where American television took time to record. Two major New York television stations, WCBS and WABC tv, aired the Bickerton bicycle story to an audience of about 8 million in their evening reports.

Also attracting a great deal of attention was the 'electric wheel' shown by Andrew Hague Cycles. This is a 'pancake' which can be fitted to a front cycle wheel of 50cm, 65cm or 67.5cm diameter. This device, drawing its power from a 12V battery will help the cyclist achieve 15 to 17 miles an hour. The battery will hold its charge for about eight hours. This particular electric assist to pedalling designed by Peter Campbell of Cambridge University drew the greatest amount of attention among the power-assisted bicycles.

By all accounts the exhibitors considered the show one of the most successful ever. Some firms indicated that they had taken orders which would account for over 50 per cent of a year's production.

While many firms attend the show to remain visible on the American scene and are not necessarily interested in writing orders, the opportunity for business is ever present. As Bob Jackson of Jackson Lightweights said: 'The New York international cycle show is indispensable to my business.'

New York fashion fair closes on high note

By Joan Keith-Hardy, British trade development office, New York

After a somewhat slow start, the 10th European fashion fair held in New York from 6 to 9 March ended in a flourish of order-taking. The final day – usually the slowest of the four-day show – proved for many exhibitors to be the best, bringing buyer attendance up to 4,200, an increase of 400 over last year's total.

The show was the first to be held at One Pennsylvania Plaza. The increased space, wide aisles and neutral decor provided an attractive background for the wide range of fashions shown by exhibitors from 10 countries.

The British joint venture at the fair was again sponsored by the British Knitting Export Council and consisted of a record 38 exhibitors.

While knitwear perhaps predominated in the British collections, the fashions shown ranged all the way from fake fur coats to exquisite pure silk lingerie and from casual skirts and jackets in brushed mohair to high-fashion evening dresses. Among the knitwear firms – whose major problem in the current 'seller's market' is one of supply – were newcomers such as Nancy Vale, who has established herself in the world with her superb hand-knitted outerwear, and Georgia Loizou's designs for Doran Lewis. Again it was evident that well-known firms such as Jean Varon and Mary Farrin, who are now firmly established in the United States market, were among the most successful of the design firms exhibiting. However, successes were reported also by comparative newcomers such as Mandy Pothecary, whose wool challis dresses and co-ordinated sportswear proved particularly attractive to buyers. Skirts are important in the current fashion market and once again the fine fabrics and hand-finished, tailored skirts from M. Waldman Ltd and Rally-Klad's long cashmere kilts and wool skirts were very successful.

A few of the exhibitors commented on the scarcity of buyers from the major department stores, many of whom value their European buying trips and prefer to place their orders in London or the Prêt-a-porter in Paris. Nevertheless, the majority of the firms showing were pleased with the actual business booked at the show and many anticipated confirmation of additional orders after their return to the UK.

A feature of the recent show was the number of UK firms who were successful in appointing agents to represent their lines in the United States. There is still, it seems, no substitute for a showroom on Seventh Avenue!

Hundreds of dealers and distributors saw the Bickerton 2 folding bike at the New York cycle fair.

Overseas publicity for UK trade fairs

British commercial representatives overseas are keen to publicise UK trade fairs and exhibitions, and welcome posters and brochures from fair organisers. But material must be sent well in advance – at least three clear months ahead of the event – and in sufficient quantity – two or three dozen copies for the representative in each area. A full list of addresses of commercial representatives is published as a quarterly supplement to *Trade and Industry*.

Overseas trade export services

Freepost reader service

For further information on items in this section, circle the corresponding number on the reader services page near the end of the magazine.

New cable link with Europe

The Post Office is about to put down a £3 million undersea cable which will increase by more than 25 per cent the total capacity of all cable systems between Britain and Europe.

Capable of carrying nearly 4,000 'phone calls at once, the new cable will run 100km from St Margaret's Bay, Kent, to Veurne, in Belgium and should be in service for the summer. This new link with Europe is the first of several planned for the next few years by the Post Office in close co-operation with the telecommunications authorities of neighbouring European countries.

The new cable will be used primarily for telephone calls, telex messages and other communications between the UK and Belgium, Germany and the Netherlands. Its cost is being shared between the British Post Office and the telecommunications administrations of the other three countries. The cable will also carry communications from Britain through these countries to other parts of Europe.

Further information: circle 223

Emery expands

In further moves to expand its operations in Africa and the Middle East, Emery Air Freight has introduced regular services to Nigeria, Kenya, Jordan and Syria.

Emery's office at London Heathrow will provide co-ordination and control, as well as a communications centre, for all traffic to these new points in the Emery system.

Further information: circle 224

Management changes for Norfolk Line

Major changes in the operational and marketing management structure for Norfolk Line's door-to-door international road transport service are currently being implemented.

Executive management responsibilities will in future be determined on a functional basis rather than by geographical area.

The first obvious effects to clients will be in sales representation in the UK, which is being re-organised and strengthened in preparation for substantial growth this year.

Executive responsibility for sales and marketing throughout Europe, including the UK, has been taken over by Aad van der Wilt, who has been appointed sales and marketing director.

The new UK sales structure, says Norfolk Line, will serve to stress the point that although the company operates its own ro/ro ferry vessels between Great Yarmouth and Scheveningen, these are only one link in a complete door-to-door transport chain between the major manufacturing and buying areas of Europe.

Further information: circle 225

Monster crane packed for export

Packing one of the world's largest and most powerful steelworks cranes – a 2,000hp, 420-tonnes capacity, ladle crane, weighing more than 700 tonnes – for its journey to the Sidmar Steelworks at Ghent, Belgium, was recently carried out by Normid Packing Ltd of Smethwick.

The crane, which has a span of 25m and a lift of 26m, is a product of the Wellman-Cranes branch of Clarke Chapman and was manufactured at their Darlaston Works. After assembly and testing, the crane was broken down into its component parts for shipment. All machined surfaces and vulnerable components were protected by Normid against abrasion and corrosion.

Large components were packed into top loading ISO shipping containers and loose items went into skid-based packing cases. Electrics and rope barrels were sprayed with de-watering preservative, as necessary, and the barrels were also protected with a slatted timber and hessian wrap. Gearboxes and electric motors were protected with sealed polythene barriers and Drisorb dessicant. Bogies were located in specially designed timber half crates.

The crane was transported to Liverpool by road transport supplied by Pickfords Heavy Haulage, and was made up of eight special loads. The two heaviest loads had a gross weight of almost 150 tons each, six container loads and five conventional 'flat top' loads.

As the sea journey from Liverpool was to be, to a great extent, deck cargo, all girders, containers etc, were made completely water-tight.

Further information: circle 226

Autotelex to Syria begins

Britain's telex links with Syria went automatic on 12 March, bringing to 105 the number of countries which UK telex users can contact direct.

About 3,000 calls a month are made through the operator to Syria. Major users include the cotton, barley, machinery and transport equipment industries, plus invisible export interests.

Other Middle East countries available on autotelex from Britain are Bahrain, Egypt,

One of the two main girders of the Clarke Chapman crane being loaded at Liverpool docks.

Iran, Iraq, Jordan, Kuwait, Lebanon, Qatar, Saudi Arabia and all seven United Arab Emirates.

Cost of calls

Cost of an autotelex call to Syria is 90p a minute, with a one-minute minimum charge. This compares favourably with the three-minute minimum charge of £2.70 for an operator-connected call.

Further information: circle 227

Tractor units for Ferrymasters' German company

Ferrymasters GmbH, the P & O unit loads company based in West Germany, has purchased four new Scania III tractor units.

These heavyweight units, registered in Germany, will provide direct support for Ferrymasters expanding door-to-door unit loads services in that country.

Ferrymasters' German offices are located at Düsseldorf, Mannheim and Munich and the firm's capability extends throughout Germany into Austria and Switzerland.

Ferrymasters claims its continuing investment in Germany is one of the factors supporting its successful penetration of the import and export markets.

Further information: circle 228

Meadows aids export venture by Norfolk boatbuilder

The first craft in a £750,000 UK Export Year success story, involving the construction of 30 fast patrol boats for the Egyptian police, were recently shipped to Alexandria from the Medway port of Rochester.

The order was secured against strong overseas competition by Norfolk-based yacht and boatbuilders Dawn-Craft (Wroxham). Shipment of the initial boats in the company's first big export venture was arranged in consultation with the Norwich branch of international freight forwarders Thomas Meadows.

Meadows worked closely with Dawn-Craft for several months, co-ordinating arrangements for the special road movement of the craft by low-loader trailers from East Anglia to Rochester and then sea transport to Egypt. Meadows' Leystonstone, London, branch handled all aspects of export documentation requirements and additionally fixed insurance through Thomas Meadows (Insurance) Ltd.

The first two patrol boats were shipped from Rochester's Phoenix Wharf on the Contimar vessel *Ardua*.

Further information: circle 229

More Besta space to East Africa

The Besta Line service to east Africa has been rationalised to offer an increase in space to UK shippers.

The service will operate twice a month out of London from the beginning of May. The scheduled calls at Hull are now cancelled, the last vessel being the *Bratsk* on 4 April.

Besta Line serves the east African ports of Mombasa, Tanga, Dar es Salaam and Port Louis from London. The transit time is 18 days to Mombasa and 30 days to Port Louis.

Further information: circle 230

Northern priority consolidation services

International air-cargo forwarders AtlasAir is introducing additional direct priority consolidations from Manchester to Gothenburg, Milan and Zurich.

The new services are available to northern air shippers daily, Tuesday to Saturday. They will be supplementary to AtlasAir's direct consolidations currently operated out of Manchester airport to Amsterdam, Brussels, Copenhagen, Dublin, Frankfurt, Paris and Stockholm.

Further information: circle 231

New plastic pallet

ICI Fibres are using one-trip well pallets for shipping nylon polymer to Australia.

The well pallet is made by Midland Industrial Plastics from 'Propathene', ICI's polypropylene.

The pallet is claimed to save space and is also lighter and less expensive than one made from timber, which would require treatment against insect infestation as demanded by Australian quarantine regulations. Similar regulations exist in some other countries, notably the western United States

Each pallet unit is stretch wrapped with polytheylene film to stabilise it and it is then fork lifted into an ISO container for the journey. ICI Fibres expect to use about 25,000 well pallets each year for this market alone.

Further information: circle 232

Pickfords continental operations go to Derby

Pickfords Heavy Haulages' continental operations office has moved to Alfreton, Derby, from where it will co-ordinate all the company's traffic to Europe.

When the company first centralised its continental operations at Sheffield, the majority of its traffic was between the UK and France and Germany.

Since then Pickfords Heavy Haulage has expanded its traffic throughout western Europe and recent contracts have taken the company into the eastern European countries.

The new operations office, in the charge of Mr D. A. Reid, will co-ordinate Pickfords Heavy Haulages' growing fleet of TIR tractors and trailers type-approved for abnormal loads, and handle overseas shipping on behalf of the branches.

Further information: circle 233

The first of 30 fast patrol boats for the Egyptian police, being shipped to Alexandria from Rochester.

ECGD addresses

The Export Credits Guarantee Department's head office is at Aldermanbury House, Aldermanbury, London EC2P 2EL. (Tel. 01-606 6699). ECGD has 10 local offices in various parts of the United Kingdom, and these are listed from time to time in *Trade and Industry*.

Overseas trade country data

Argentina

Amendments to payment terms. Argentine Central Bank circular RC 684 issued 16 March 1977 cancelled their circular RC 678 and established that imports, irrespective of their value, may now be paid for on sight. This ruling does not apply to capital goods, which still are governed by Central Bank circular RC 641 of 5 July 1976.

Inquiries: OTAR 01-248 5757 ext. 474/476.

Belize

Import licences for corrugated galvanised sheets. The Belize authorities have announced that import licences are now required for corrugated galvanised sheets.

Inquiries: OTAR 01-248 5757 ext. 7312/456/457.

Brazil

Prior deposits on capital goods. It has been reported that the Conselho Monetario Nacional has decided to subject all imports of capital goods to the prior deposit of 100 per cent of the fob value of the goods to be imported for a period of 360 days, with the following exceptions:

1 When the Conselho de Desenvolvimento Industrial has granted fiscal incentives;
2 When the goods have entered the country in the form of risk capital.

The granting of five-year's credit no longer exempts imports from the deposit.

This measure will strengthen the hand of the CDI in seeking to concentrate industrial investment in the sectors to which the government gives priority.

The legislation implementing this measure has not yet been passed but details will be published as soon as possible.

Inquiries: OTAR 01-248 5757 ext. 476/474.

Canada

Investigation into imports of footwear. The Canadian Minister for Industry, Trade and Commerce announced on 11 March, an inquiry to determine whether imports of leather and vinyl footwear are causing or threatening to cause serious injury to production of such footwear in Canada.

The inquiry, which is to be carried out immediately by the Anti-Dumping Tribunal under Article 16.1 of the Anti-Dumping Act, has to be completed within six months. Provision is made for the Tribunal to submit an interim report if it is found that the domestic industry is suffering serious injury as a result of imports.

All correspondence and briefs relating to the inquiry should be addressed to the Secretary, Anti-Dumping Tribunal, 24th Floor, Place Bell Canada, 160 Elgin Street, Ottawa, Ontario K1A 095.

Inquiries: CRE 01-215 5397.

Denmark

Cocoa and chocolate products. Copies are available of the official translation of the new 'Notification on Cocoa and Chocolate Products'.

Inquiries: OTAR 01-248 5757 ext. 7174.

Further information

In many cases further information on the notices published on these pages is available to British exporters from the Department of Trade. The main branches concerned are: Commercial Relations and Export (CRE) Division, 1 Victoria Street, London SW1H 0ET (tel: direct dialling); and Overseas Tariffs and Regulations Section (OTAR), Export Data Branch, Export Services and Promotions Division, Export House, 50 Ludgate Hill, London EC4M 7HU (tel: 01-248 5757). In each case, the relevant information source is indicated at the end of the notice by its initials (OTAR or CRE) and, in the case of OTAR, the telephone extension.

Greece

Transfer to import list 'F'. A decision of 18 February 1977 by the Ministry of Commerce, transferred the following kinds of meat under tariff heading 16.02 C to import list 'F', for which no prior import deposit is required:

1 Tinned pork – 'pork in jelly' and 'corned meat'.
2 Tinned beef – 'beef in jelly'
3 Tinned meat (pork or beef) in the form of compressed paste – 'luncheon meat'.

Inquiries: OTAR 01-248 5757 ext. 439.

Engineering mission to Singapore

Twenty-thousand hacksaw blades to Thailand, 200 precision taps and dies to Malta, and 300 pairs of industrial footwear to Nigeria are three recent export orders supplied by Robert Samuell and Co Ltd. The company is to be represented in Singapore from 8 to 14 May during the Engineering Industries Association trade mission. Its managing director, Robert Samuell (pictured), hopes to meet existing and new customers interested in his company's services. Carrying stock conservatively estimated at £180,000 he claims that his company can quickly supply any machine-tool, hand-tool or engineering part to any country in the world.

Israel

Standard for tap head with rising spindle for domestic draw-off taps of copper alloy. The following Israeli standard has been declared official and compliance with it will be compulsory 60 days from 24 February 1977:

IS no. 897 – Tap head with rising spindle for domestic draw-off taps of copper alloy.

The Standards Institution of Israel issues an English translation of the standard and copies may be obtained from the British Standards Institution Library, 2 Park Street, London W1 (tel. 01-629 9000, telex 266933).

British exporters requiring technical advice are advised to contact Technical Help to Exporters, British Standards Institution, Maylands Avenue, Hemel Hempstead, Herts HP2 4SQ (tel. 0442-3111, telex 82424).

Inquiries: OTAR 01-248 5757 ext. 458/461.

Republic of Korea

Patent and trademark laws. Amended patent and trademark laws for the Republic of Korea came into force from 1 January 1974.

Among the changes in the Patent Act is:

A revised test of novelty – under the amended act, novelty is denied when the invention has been described in publications distributed in foreign countries and not solely in Korea, (paragraph 1, article 2).

In the new Trademark Act, licensing of a trademark right is newly introduced and allowed to a narrow and limited extent, and a public notice system is also a new adoption in the trademark application and allowance procedure.

A copy of the article 'A memorandum on the Korean Industrial Property Rights' by Soo Kil Chang published in the Korean Journal of Comparative Law of October 1976, is available for public inspection in the Chancery House Annexe of the Science Reference Library (Holborn Division), Chancery House, Lower Ground Floor, Chancery Lane, London WC2A 1AY.

Malta

Importation of metric weights and measures. The Malta *Government Gazette*, 18 March, announced that as from 1 July 1977 it shall not be legal to import any weights, measures or weighing or measuring instruments not calibrated in SI units (metric units).

Inquiries: OTAR 01-248 5757 ext. 471/472/473/462.

Edible fats and oils regulations. The Malta *Government Gazette*, 18 March, with legal notice 42 published the edible fats and oils regulations. These cover the importation, manufacture, preparation and sale of edible fats and oils.

These regulations shall come into force on such date as the Minister of Health may fix by notice in the *Gazette*.

Inquiries: OTAR 01-248 5757 ext. 471/472/473/462.

Colouring matter in food regulations. The Malta *Government Gazette*, 15 March, published with legal notice 39 the colouring matter in food regulations 1977. These cover the colouring matter, diluents and solvents permitted in food.

These regulations shall come into force on such date as the Minister of Health may fix by notice in the *Gazette*.

Inquiries: OTAR 01-248 5757 ext. 471/472/473/462.

Mauritania

Compulsory insurance of imports. The Central Bank of Mauritania is no longer authorising the payment of import bills quoting cif prices. In future only fob and cif imports will be accepted and all goods will have to be insured with SMAR, the Mauritanian state insurance company.

No further information is available at present.

Inquiries: CRE 01-215 5334.

CRE Commercial Relations and Exports Divisions
Department of Trade
1 Victoria Street, London SW1H 0ET
Tel. Direct dialling (see end of each notice)

OTAR Overseas Tariffs and Regulations Section
Export Data Branch
Export Services and Promotions Division
Department of Trade
Export House, 50 Ludgate Hill, London EC4M 7HU
Tel. 01-248 5757 (extension at end of each notice)

New Zealand

Import licensing schedule 1977-78 and import deposit scheme. On 14 March the New Zealand Minister of Trade and Industry stated publicly that the new import licensing schedule (due to be released on 1 April and to come into effect on 1 July) would be held at 100 per cent in value, for the third year running. He forecast this would result in a reduction of around 25 per cent in volume on the previous year.

The minister, in the same speech, said that the coverage of the import deposit scheme would not be extended.

Inquiries: OTAR 01-248 5757 ext. 401/468/469.

Metric changeover. In May 1976, following representations from the Metric Advisory Board and from trading interests, the ministers of Labour and Trade and Industry jointly announced that all trading would eventually be in metric units and changes in the law would be made to bring this about. Subsequently, in December 1976, Parliament passed the Weights and Measures Amendment Bill. This act, the Weights and Measures Amendment Act, 1976, authorises the making of regulations to achieve metric-only trading – including verification of weighing or measuring instruments, pre-packaging, pricing and advertising.

The following two cut-off dates have been recommended in respect of retail trading in imperial units:

31 March

1 to cease verification of new non-metric weighing or measuring appliances used in trading;
2 to require that all textile products and floor coverings sold by retail by length or area be in metres and that all pricing and advertising be in metric.

30 September

1 to require metric-only retail pricing in a retail establishment where the weighing or measuring appliances are metric, or where prepacked goods show the content in metric measure. Otherwise, where weighing or measuring not yet converted to metric, pricing to be dual metric/imperial, with no greater prominence to the imperial;
2 to require that all advertising for retail sale or purchase express quantities in metric units and prices per metric quantity. That imperial units be not allowed in advertising henceforth;
3 to cease annual verification of existing non-metric weighing or measuring appliances used in trading, with dispensations to cover hardship and other exceptional circumstances only.

The Metric Advisory Board has reaffirmed its support for the cut-off dates as outlined above and is negotiating with the government for the issue of suitable regulations. Co-ordinated publicity is also being planned.

Inquiries: CRE 01-215 5321. Ref: CRE 35289

Painting of steel sheet or strip: Industries Development Commission inquiry. The New Zealand Minister of Trade and Industry advised the commission that, following representations from interested parties and discussions between the commission and officials of his department, he had agreed that the reference concerning galvanised sheet and strip he had sent to the commission on 4 November 1976 be withdrawn and replaced by a more specific reference.

He requested that the commission inquire into and report on the present situation and prospects of, and recommend lines of development and the nature and extent of assistance, if any, whether by means of protective devices or otherwise, it considers appropriate for New Zealand industries engaged in the painting of steel sheet or strip of tariff headings 73.12 and 73.13. The commission was asked to take special note of metal laminate coil, which is included in tariff item 73.13.431.

For the purpose of taking evidence the commission will hold a public hearing in the Hearing Room, Eighth Floor, Cumberland House, Upper Willis Street, Wellington, on Tuesday, 3 May 1977, commencing at 10.30 am.

Any person who intends to tender evidence should lodge, in type-

written form, 14 copies of public evidence and 12 copies of confidential evidence, to be presented under oath at the public hearing, with Mr F. E. Beaufort, Secretary, Industries Development Commission, PO Box 27 046, Wellington, no later than Monday, 11 April 1977. In preparing this evidence the 'Notes for Information and Guidance of Interested Parties' prepared by the Tariff and Development Board may be of assistance. Copies of these notes can be seen at the Department of Trade, Export House, 50 Ludgate Hill, London EC4M 7HU (tel. 01-248 5757, ext. 401/468/469).

Each statement of evidence will in general need to be presented under oath at the public inquiry by the person tendering it. Any changes made are likely to remain in force for a considerable period; any exporters whose trade is likely to be affected are urged to consider seriously the desirability of submitting evidence at the forthcoming inquiry.

Firms proposing to give independent evidence through their agents in New Zealand or through the Director of the British Trade Association of New Zealand Inc, PO Box 11-363, Wellington, New Zealand (telegraphic address Transtrade, tel. Wellington 737-348) and requiring further information should approach the Commercial Relations and Exports Division. The BTANZ charges a fee for its services, the amount varying according to the work entailed and whether the trade association or firm is a member.

Inquiries: CRE 01-215 5321. Ref. CRE 46701

Norway

Global quotas for imports, 1977. Norway has established the following global quotas for 1977. The global quota area covers all countries.

Tariff no.	Commodity	Quota ('000 Kr. unless otherwise stated)
ex Chapter 1*	Live animals, not for food	7,000
ex 04.04	Cheese and cheese paste (excluding parmesan cheese)	600 tons
ex 06.01*	Flower bulbs to market-gardens	15,000 or 1,250 tons
ex 06.02*	Live plants, tubers, tuberous roots and the like	26,000
ex 06.03*	Cut flowers (most flower imports liberalised during winter season)	4,000
ex 07.01	Mushrooms, fresh	1,700 or 200 tons
ex 20.02	Mushrooms, hermetic	600 or 60 tons
ex 20.02	Roasted onions	230 or 15 tons
ex 16.02	'Turkey roll'	100 or 5 tons
ex 17.02*	Glucose, special quality to industry	360 or 200 tons
ex 20.07*	Fruit and vegetable juices	6,000 or 7 tons

* For these goods the quotas are meant to cover supplementary imports when Norwegian production does not meet the demand.

Inquiries: OTAR 01-248 5757 ext. 458/461.

Tax amendments. The rates of tax on alcohol (including alcoholic beverages) and petrol have been amended.

Inquiries: OTAR 01-248 5757 ext. 458/461.

Portugal

Compensation for nationalisation, etc. Portuguese *Diario da Republica* 49, 28 February, published resolution 51-B/77 which sets out the procedure for compensation, in the case of property nationalised or expropriated, or indemnity, for damages suffered to property, after 25 April 1974.

The resolution states that compensation will be granted in the terms of articles 12 and 17 of the Foreign Investment Code, decree-law 239/76 while claims for damages may be dealt with by a government-nominated commission.

An unofficial translation of the resolution is available from CRE tel. 01-215 5341.

South Africa

Pre budget increases. On 7 March, the Minister of Finance (Senator Horwood) announced an increase in the duty on beer, wine, spirits and tobacco. He also announced an average increase of 25 per

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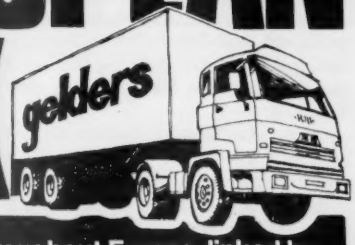

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Groupage–Full loads–Storage–Distribution

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JAPAN

DISSATISFIED WITH THE LIMITED RESULTS ACHIEVED THROUGH AGENTS AND DISTRIBUTORS?

EXCELLENT OPPORTUNITIES await enterprising British manufacturers in the form of joint venture operations, wholly owned subsidiaries, branch sales operations and technological licence agreements in Japan. But in order to ensure that the best possible advantage is taken of such opportunities, it is absolutely essential to appoint a local representative possessing the necessary expertise and connections to act on your behalf. As Advisers and Consultants with years of experience of partner hunting and negotiations with Japanese manufacturers in the above sectors, we are pleased to offer our specialised services, which also include market research.

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cent in sales tax on a range of goods. Luxury consumer durables such as cars and television sets which attract a particularly high rate of tax will be principally effected. It is expected that the increased duty will result in an extra R144 million in revenue during the financial year 1977-78.

Senator Horwood emphasised that these increases were to be seen as part of the budget which is to be presented on 30 March 1977. He explained that they were announced prior to the budget because anticipation of increased indirect taxation in the budget often gave rise to large sales before budget day with a resultant loss to the Treasury.

On 9 March, the Minister of Transport, whilst presenting the railway budget for 1977-78, announced an average increase of 16 per cent in rail fares and 21.8 per cent in rail freight tariffs. Additionally, domestic air fares are to be increased by 15 per cent and charges for the country's two pipeline services by 20.7 per cent. The increases are to prevent the railways running seriously into deficit.

Inquiries: OTAR Section, Export Data Branch, ext. 471/472/473/462.

Tariff application. Customs Tariff Application List 8/77, published in the South African *Government Gazette*, 25 March 1977, contains an application to the Board of Trade and Industries for increase in duty on:

Screwing taps (excluding those of alloy steel or high speed steel, with ground thread) classifiable under tariff sub heading 82.05.30.90.

Those British trade organisations thought to be interested in the application are being informed. Any British firm affected which wishes to make representations to the South African Board of Trade and Industries and belongs to a trade organisation should, therefore, first contact its own trade association.

If any firm proposes to make independent representations to the South African authorities and requires further information concerning the application, it should address inquiries to CRE 01-215 5274.

Spain

Duty-free import quotas. The Spanish *State Gazette*, 17 March, published an order of the Ministry of Commerce announcing the following duty-free import quotas for 1977:

CCCN	Description	Quota in tonnes
47.01.A.3.a.2.b 47.01.A.3.b.1	Chemical pulp for the manufacture of newsprint	30,000
48.01.A.1	Newsprint intended exclusively for the publication of daily newspapers	90,000
48.01.A.2	Other	30,000

Any imports during 1977 covered by import licences issued during 1976 will be deducted from the 1977 quota.

Inquiries: OTAR 01-248 5757 ext. 462/471/472/473.

Customs tariff modifications. The Spanish *State Gazette*, 18 March, published royal decree 391/1977 of the Ministry of Commerce, modifying the Spanish customs tariff to read as follows:

CCCN	Description	Import duty
70.16.B	Multi-cellular glass in blocks, slabs, plates, panels and similar forms	10%

The above modification is valid from 18 March 1977.

Inquiries: OTAR 01-248 5757 ext. 462/471/472/473.

Duty-free import quota on butyl alcohol. The Spanish *State Gazette*, 15 March, published royal decree 370/1977 of the Ministry of Commerce establishing a duty-free import quota of 3,000 tonnes of secondary butyl alcohol, tariff heading 29.04.A.3. The validity period is for one year from 15 March 1977 and will be distributed by the Ministry of Commerce.

Inquiries: OTAR 01-248 5757 ext. 462/471/472/473.

Gambling regulations. The Spanish *State Gazette*, 7 March 1977, published royal decree-law 16/1977 of 25 February, governing the penal, administrative and fiscal aspects of games of chance, gambling and betting in Spain.

An English translation of this decree is available from OTAR 01-248 5757 ext. 462/471/472/473.

Sri Lanka

Commonwealth preference. Information has been received to the effect that the withdrawal of commonwealth preferences scheduled to take effect from 31 March 1977 has been postponed. A notice giving the revised date will be published in due course.

Inquiries: OTAR 01-248 5757 ext. 471/462/472/473.

Togo

Tariff amendments. The revenue import duty on certain goods under the following headings has been modified: 22.09 (spirits and liqueurs), 24.02 (cigarettes).

The additional tax on alcohol has been fixed at 75 francs per litre of pure alcohol.

A local tax of 6 per cent has been introduced on all goods imported into Togo, with the following exemptions:

Goods falling under one of the following systems of suspended import duty: bonded warehouses, temporary importation, transit, transhipment, and those to which the customs warehousing procedure is applied:
Imports effected on behalf of the state, local authorities and public institutions.

Inquiries: OTAR 01-248 5757 ext. 472/471/473/462.

United States

Food additives: acrylonitrile copolymers. The *Federal Register*, 11 March 1977, published rules proposed by the Food and Drug Administration to reduce the amount of acrylonitrile monomer migrating to food from acrylonitrile copolymers. Written comments (five copies) should be sent by 9 June 1977 to Food and Drug Administration, Room 4-65, 5600 Fishers Lane, Rockville, MD 20857.

Inquiries: OTAR 01-248 5757 ext. 456/457/7312.

Imports of speciality steels under quota. Further to the notice which appeared in *Trade and Industry*, 25 March, the following table, derived from statistics made available by the US Customs Service, shows the products which are subject to quotas, the US quotas on imports from the EEC for the 12 months 14 June 1976 to 13 June 1977, and US imports of the products concerned from the EEC during this period, as at 18 March 1977.

Pounds weight

Product	US import quotas for 12 months 14 June 1976 to 13 June 1977	US imports during this period as at 18 March 1977
Sheet and strips of stainless steel (item 923.20)	34,082,000	27,343,012
Plates of stainless steel (item 923.21)	9,600,000	5,800,000
Bars of stainless steel (item 923.22)	4,200,000	1,972,744
Wire rods of stainless steel (item 923.23)	14,800,000	Quota filled
Bearing steel (item 923.25)	7,000,000	2,542,170
Alloy tool steel (item 923.26)	6,800,000	Quota filled

The quotas reflect the increased allocations announced in the US *Federal Register* on 18 March 1977.

Inquiries: CRE 01-215 5629.

Statistics

The economy: selected indicators

Series are seasonally adjusted except where shown otherwise

	Gross domestic product (average estimate)	Consumers' expenditure	Fixed capital expenditure			Changes in stocks				Balance of payments		
			Total	of which: Manufacturing industry	of which: Distributive and service industries excl. shipping	Total	of which: Manufacturing industry	of which: Wholesalers	of which: Retailers	Current balance	Visible balance	Invisible balance
	at 1970 prices		at 1970 prices			at 1970 prices				at current prices		
Base of index Series in Stock level at end-1976	1970	£ million	£ million			£ million		10,396	1,829	1,977	£ million	
1970	100	31,644	9,453	2,130	1,799	442	325	68	−14	733	−25	758
1971	102	32,505	9,681	1,991	1,930	99	−148	52	22	1,087	280	807
1972	104	34,402	9,870	1,739	2,071	39	−145	48	16	131	−702	833
1973	110	36,003	10,279	1,872	2,390	1,127	404	102	382	−752	−2,334	1,582
1974	110	35,590	10,124	2,024	2,289	602	666	81	−111	−3,380	−5,221	1,841
1975	108	35,234	9,991	1,737	1,970	−680	−392	−111	−23	−1,635	−3,195	1,560
1976	109	35,290	9,562	1,651	1,898	−8	−4	22	1	−1,423	−3,592	2,169
1974 3rd qtr.	112	8,952	2,484	501	556	330	358	3	−39	−772	−1,236	464
4th qtr.	111	8,971	2,590	511	559	56	133	17	−53	−845	−1 288	443
1975 1st qtr.	109	8,988	2,534	471	492	−125	18	−31	−38	−544	−947	403
2nd qtr.	107	8,833	2,474	444	498	−267	−105	−54	−66	−295	−655	360
3rd qtr.	107	8,724	2,540	416	501	−208	−234	−29	38	−566	−967	401
4th qtr.	107	8,689	2,443	406	480	−80	−70	4	43	−230	−626	396
1976 1st qtr.	109	8,811	2,460	402	452	25	31	24	12	−80	−538	458
2nd qtr.	108	8,730	2,394	408	479	−97	−115	−22	−55	−439	−919	480
3rd qtr.	108	8,824	2,392	418	484	−22	4	10	22	−536	−1,148	612
4th qtr.	110	8,925	2,316	422	483	86	77	10	22	−388	−987	619
% change last 2 qtrs. on prev. 2 qtrs.	+0.3	+1.2	−3.0	+3.7	+3.9							
on a year earlier	+2.0	+1.9	−5.5	+2.2	−1.4							

	Industrial production		Personal expenditure		Prices and costs (NOT seasonally adjusted)					Labour (UK)			Visible Trade (Volume)	
	Total all industries	Total manufacturing industries	Retail sales	Cars: new registrations	Retail prices	% increase on a year earlier	Wholesale prices: all manufacturing industry: basic materials and fuel used	Wholesale prices: all manufacturing industry: manufactured products: home sales	Basic hourly wage rates of manual workers (all industries and services)	Unemployed excluding school leavers and adult students: mid-month count	Unemployed excluding school leavers and adult students: % of total employees	Unfilled vacancies for adults: mid-month count	Export	Import
	at 1970 prices		at 1971 prices	monthly averages									On a balance of payments basis: at 1970 prices	
Base of index £m in base year Series in	1970	1970	1971 15,895	thousands	Jan. 1974		1970	1970	July 1972	thousands		thousands	1970 7,907	1970 7,932
1971	100.5	99.7	100.0	108.5	153.4†	9.4	104.6	109.0	88.9	775.8	3.4	130.9	106.7	104.2
1972	102.7	102.4	105.8	138.6	164.3†	7.1	109.2	114.8	101.4	854.9	3.7	147.3	107.1	116.7
1973	110.3	110.0	110.7	137.1	179.4†	9.2	144.5	123.2	115.6	611.0	2 6	307.0	122.2	133.8
1974	106.4	108.2	109.9	102 8	108.5	16.0	215.3	152.0	138.7	599.7ø	2.6ø	302.7ø	131.2	136.2
1975	101.3	101.7	107.9	97.2	134.8	24.2	235.4	188.7	179.8	929.0	3.9	150.0ø	125.6	126.4
1976	102.2	103.4	108.1	104.7	157.1	16.5	299.0	219.6	214.5	1,269.8ø	5.4ø	120.4ø	135.9	134.2
1976 1st qtr.	101.9	101.9	107.3	103	149.4	22.5	266.5	206.9	205.5	1,220.3	5.2	116.7	131.5	126.1
2nd qtr.	102.4	103.6	107.6	106	154.9	16.0	292.6	214.4	212.8	1,252.1	5.3	119.4	137.1	134.6
3rd qtr.	101.6	103.6	108.9	97	158.5	13.7	306.8	223.2	218.6	1,305.5	5.5	123.6	134.2	137.9
4th qtr.	102.8	104.3	108.5	113	165.8	15.0	329.9	233.9	220.6	1,316.8ø	5.6ø	..	140.8	138.1
1977 1st qtr.										1,330. 2 p	5.6 p			
1976 Apr.	102.4	103.3	108.8	116	153.5	18.9	286.3	211.5	210.1	1,241.8	5.3	122.5	135.6	132.1
May	104.5	106.4	106.8	110	155.2	15.4	292.0	214.8	211.7	1,253.3	5.3	120.0	137.2	134.7
June	100.5	101.1	107.3	91	156.0	13.8	299.6	217.0	216.6	1,261.1	5.3	115.7	138.5	137.1
July	101.5	103.8	108.8	91	156.3	12.9	302.0	219.8	219.0	1,288.9	5.5	118.6	130.4	139.4
Aug.	100.8	102.7	108.9	115	158.5	13.8	304.0	223.4	219.1	1,308.8	5.6	126.2	134.9	133.7
Sept.	102.5	104.5	108.9	86	160.6	14.3	314.4	226.3	219.2	1,318.7	5.6	125.9	137.3	140.4
Oct.	102.5	104.6	108.1	109	163.5	14.7	327.7	230.0	219.5	1,307.9	5.5	124.5	140.8	140.6
Nov.	103.0	104.6	109.2	119	165.8	15.0	331.8	234.6	220.7	..	..	..	138.1	140.1
Dec.	102.9	103.7	108.3	111	168.0	15.1	330.2	237.2	221.5	1,325.7 e	5.6 e	..	143.3	133.6
1977 Jan.	103.9 p	104.4 p	107.2	93	172.4	16.6	337.8 p	244.9 p	223.8	1,338.2	5.7	..	140.6	153.6
Feb.			107½ p	118	174.1	16.2	339.6 p	248.1 p	223.9 p	1,331.4	5.6	150.5	138.0 p	133.8 p
Mar.										1,321.1 p	5.6 p	157.3 p		
% change latest 3 months on prev. 3 months	+1.4	+0.3	−0.9	+2.5	+5.0		+3.5	+5.7	+1.5	+1.0			+1½	—
a year earlier	+2.7	+3.5	—	+8.1	+16.0		+28.4	+19.0	+10.3	+9.0			+7	+10

p Provisional pe Preliminary estimate † Base of index Jan. 1962 = 100 .. not available ø Average of available months e estimate

Inquiries: 01-215 3453

Motor vehicle output in February

Production of cars in the four weeks ending 26 February of 97,030 units (24,258 per week) was 19 per cent below the February 1976 level. Production for the home market fell by 28 per cent and that for export fell by 7 per cent. Production of commercial vehicles was 32,368 units (8,092 per week), a rise of 7 per cent from the February 1976 level. Production for the home market rose by 6 per cent while that for export rose by 8 per cent.

(The summaries which follow are based on the seasonally adjusted figures shown in table 2.)

Cars

Car production in February of 101,000 units was 9 per cent below the monthly average for 1976. Production for the three months December to February was virtually unchanged compared with the preceding three months; within the total, home market production fell by 9 per cent while production for export rose by 11 per cent.

Commercial vehicles

Commercial vehicle production in February of 34,000 units was 10 per cent above the monthly average for 1976. In the three months December to February, output rose by 4 per cent compared with the preceding three months. Output for the home market rose by 1 per cent while that for export rose by 7 per cent.

Notes to table 2

The seasonally adjusted series has been adjusted to exclude the effect of regularly recurring influences (eg holidays) but the figures still reflect the effect of factors that do not recur regularly (eg strikes).

Care should be taken not to interpret changes between one month and another as necessarily indicating the underlying trend. The averages in the latest three months and the previous three months give a more reliable guide to recent changes.

TABLE 2 Production – seasonally adjusted

MONTHLY AVERAGE — Thousands

	Passenger cars			Commercial vehicles		
	For home market	For export	Total	For home market	For export	Total
1968	84	67	151	21.6	12.5	34.1
1969	74	69	143	22.7	16.1	38.8
1970	77	60	137	22.3	15.8	38.1
1971	86	59	145	22.3	15.7	38.0
1972	109	51	160	22.7	11.3	34.0
1973	95	50	145	21.5	13.2	34.7
1974	78	50	128	19.3	14.2	33.5
1975	61	45	106	16.2	15.5	31.7
1976	64	47	111	15.2	15.8	31.0
1977						
1976 1st quarter	67	49	116	14.7	16.9	31.6
2nd quarter	68	46	114	15.2	16.2	31.4
3rd quarter	62	44	106	15.0	15.4	30.4
4th quarter	59	48	107	15.9	14.7	30.6
1977 1st quarter						
2nd quarter						
3rd quarter						
4th quarter						
1976 January	58	44	102	13.1	16.8	29.9
February	74	53	127	15.4	17.1	32.5
March	70	50	120	15.6	16.9	32.5
April	65	46	111	14.5	15.9	30.4
May	72	48	120	16.1	16.8	32.9
June	66	46	112	15.1	15.8	30.9
July	82	49	131	17.1	16.0	33.1
August	43	39	82	12.9	14.4	27.3
September	62	44	106	15.0	15.7	30.7
October	64	47	111	15.5	15.4	30.9
November	61	51	112	17.6	16.0	33.6
December	51	48	99	14.6	12.8	27.4
1977 January	66	62	128	17.9	19.6	37.5
February	53	48	101	16.0	18.0	34.0
Average of :						
Sept-Nov 1976	63	47	110	16.1	15.7	31.8
Dec 1976-Feb 1977	57	53	110	16.2	16.8	33.0
Percentage change	−9	+11	N/C	+1	+7	+4

TABLE 1 Recorded production

Production figures of road motor vehicles cover complete vehicles, chassis with engines for delivery as such and un-assembled vehicles for export. Road tractors are included but battery operated road vehicles are excluded.

		Passenger cars (including taxis)				Commercial road vehicles			
	No. of weeks	For home market	For export	Totals	Weekly average	For home market	For export	Totals	Weekly average
1968	52	1,013,163	802,773	1,815,936	34,922	259,331	149,855	409,186	7,869
1969	53	892,758	824,315	1,717,073	32,398	272,998	192,778	465,776	8,788
1970	52	918,109	722,857	1,640,966	31,557	267,407	190,125	457,532	8,799
1971	52	1,027,462	714,478	1,741,940	33,499	268,278	187,928	456,206	8,773
1972	52	1,307,881	613,430	1,921,311	36,948	272,649	135,470	408,119	7,848
1973	52	1,142,216	605,105	1,747,321	33,602	257,574	159,049	416,623	8,012
1974	52	937,932	596,187	1,534,119	29,502	232,373	170,193	402,566	7,742
1975	52	735,532	532,164	1,267,696	24,379	194,319	186,386	380,705	7,321
1976	53	768,481	564,968	1,333,449	25,159	182,554	189,503	372,057	7,020
1977	52								
1976 1st quarter	13	209,955	148,844	358,799	27,600	44,978	48,785	93,763	7,213
2nd quarter	13	205,839	143,677	349,516	26,886	46,510	51,249	97,759	7,520
3rd quarter	13	145,427	108,233	253,660	19,512	36,730	39,225	75,955	5,843
4th quarter	14	207,260	164,214	371,474	26,534	54,336	50,244	104,580	7,470
1977 1st quarter	13								
2nd quarter	13								
3rd quarter	13								
4th quarter	13								
1976 January	4	56,966	39,432	96,398	24,100	12,051	13,971	26,022	6,506
February	4	68,878	50,913	119,791	29,948	14,468	15,829	30,297	7,574
March	5	84,111	58,499	142,610	28,522	18,459	18,985	37,444	7,489
April	4	54,445	38,281	92,726	23,182	13,209	14,019	27,228	6,807
May	4	76,074	51,169	127,243	31,811	16,122	18,245	34,367	8,592
June	5	75,320	54,227	129,547	25,909	17,179	18,985	36,164	7,233
July	4	56,334	34,350	90,684	22,671	12,389	13,444	25,833	6,458
August	4	32,971	31,801	64,772	16,193	8,871	9,219	18,090	4,523
September	5	56,122	42,082	98,204	19,641	15,470	16,562	32,032	6,406
October	5	82,077	59,240	141,317	28,263	19,947	19,320	39,267	7,853
November	4	67,512	52,863	120,375	30,094	17,922	15,706	33,628	8,407
December	5	57,671	52,111	109,782	21,956	16,467	15,218	31,685	6,337
1977 January	4	66,199	56,967	123,166	30,792	16,852	16,536	33,388	8,347
February	4	49,732	47,298	97,030	24,258	15,319	17,049	32,368	8,092

Note : The number of vehicles produced for export shown in these tables differs from the number exported (which are shown in the Overseas Trade Statistics) because of differences in timing and coverage.

Capital expenditure of the manufacturing, distributive and service industries in the fourth quarter of 1976

Manufacturing industry

Capital expenditure by manufacturing industry in the fourth quarter of 1976 is now estimated at £422 million at 1970 prices, seasonally adjusted. This is £3 million less than provisionally estimated and a rise of 1 per cent on the third quarter.

Between the third and fourth quarters of 1976, large increases were recorded for the vehicles (11 per cent), the coal and petroleum products (19 per cent) and the residual 'other manufacturing' (13 per cent) industries. Moderate increases occurred in the engineering, shipbuilding and metal goods and the chemicals industries and falls in all the remaining broad industry groups, the largest in metal manufacture which fell by 13 per cent. Expenditure on plant and machinery rose by 2 per cent, that on new building work fell by 1 per cent and that on vehicles was unchanged.

In 1976, total investment at £1,650 million was 5 per cent below the level in 1975. Substantial falls were recorded by the textiles, leather and clothing industry (27 per cent) and the paper, printing and publishing industry (20 per cent). Except for the metal manufacturing and vehicles industries, with modest increases of 4 per cent and 1 per cent, respectively, and the chemicals industry (no change), investment by the remaining industry groups fell by between 1 and 9 per cent. By asset, expenditure on new building work fell by 18 per cent and on plant and machinery by 4 per cent while that on vehicles rose by 15 per cent.

Distributive and service industries (excluding shipping)

The revised estimate of capital expenditure by the distributive and service industries (excluding shipping) in the fourth quarter of 1976 is about £483 million, at 1970 prices, seasonally adjusted. This is £8 million higher than the provisional estimate, but the increase is partly attributable to revised seasonal adjustment which has slightly reduced the estimates for the first three quarters.

Capital expenditure in 1976 was about 4 per cent lower than that in the previous year. Investment in new building work was reduced by about 10 per cent, and in plant and machinery by some 5 per cent, but expenditure on vehicles rose by 11 per cent. In the classification according to industry group, investment by wholesale and retail distributors was virtually unchanged, but expenditure in the residual group of industries was reduced by about 5 per cent.

Shipping industry

The revised estimate of £34 million, at 1970 prices, seasonally adjusted, for investment by the shipping industry in the fourth quarter is much the same as the provisional estimate. Expenditure in 1976 was some 40 per cent lower than that in 1975.

Notes

1 The estimation of changes in the volume of capital expenditure (as distinct from changes at current prices) is subject to greater error when price rises are larger, and this should be borne in mind in using the figures.

2 *Seasonal adjustment.* In each series, the changes to the estimates for the first three quarters of 1976 arise from adjustments to ensure that the sum of the four seasonally adjusted quarterly estimates is equal to the unadjusted total for the year.

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TABLE 1 **Fixed capital expenditure at 1970 prices seasonally adjusted of manufacturing, distributive and service industries**

£ million

Period	Total	Analysis by industrial sectors			Analysis by type of asset		
		Manufacturing industries	Distributive and service industries (excluding shipping)	Shipping industry	New building work	Vehicles	Plant and machinery
1966	3,228	1,774	1,334	120	938	556	1,733
1967	3,314	1,738	1,407	170	939	603	1,772
1968	3,703 (3,615)*	1,851 (1,800)*	1,561 (1,554)*	290 (260)*	963	759 (729)*	1,980 (1,922)*
1969	3,893 (3,981)*	1,978 (2,029)*	1,683 (1,690)*	233 (263)*	1,044	728 (758)*	2,120 (2,178)*
1970	4,294	2,130	1,799	364	1,063	859	2,372
1971	4,284	1,991	1,930	364	1,114	832	2,338
1972	4,293	1,739	2,071	482	1,044	1,018	2,230
1973	4,759	1,872	2,390	498	1,131	1,129	2,500
1974	4,728	2,024	2,289	415	1,168	1,025	2,535
1975	4,046	1,737	1,970	339	1,013	821	2,213
1976	3,750	1,651	1,898	202	886	740	2,124
1971 1st quarter	1,051	513	467	71	276	185	590
2nd quarter	1,082	499	479	104	276	226	581
3rd quarter	1,094	498	495	101	281	218	595
4th quarter	1,057	480	489	88	281	204	572
1972 1st quarter	1,053	458	487	107	260	230	564
2nd quarter	1,078	429	521	128	262	260	557
3rd quarter	1,058	425	522	111	256	251	551
4th quarter	1,103	427	540	136	266	278	559
1973 1st quarter	1,204	467	583	154	280	308	615
2nd quarter	1,141	449	593	99	281	252	609
3rd quarter	1,178	489	590	99	294	261	623
4th quarter	1,236	467	623	146	276	308	652
1974 1st quarter	1,181	510	601	71	303	228	651
2nd quarter	1,172	502	573	97	290	251	631
3rd quarter	1,186	501	556	128	289	278	618
4th quarter	1,189	511	559	120	287	266	636
1975 1st quarter	1,058	471	492	95	276	221	561
2nd quarter	1,037	444	498	95	262	212	563
3rd quarter	1,007	416	501	90	246	207	554
4th quarter	945	406	480	59	228	182	535
1976 1st quarter	914	402	452	60	226	183	505
2nd quarter	914	408	479	27	222	164	528
3rd quarter	983	418	484	81	225	220	538
4th quarter	940	422	483	35	213	173	554

The figures given above cover a wide sector of the economy, accounting – after exclusion of dwellings – for some 55 per cent of all UK gross domestic fixed capital formation in 1974. The scope of manufacturing and the distributive and service industries is defined in the notes at the end of the article, and falls very largely in the private sector of the economy, although some public sector elements are included as appropriate (notably the British Steel Corporation, in manufacturing industry). Exploration and development work in the North Sea (Order II) is excluded.

* After allowing for expenditure, brought forward into 1968 from 1969 to secure the higher rate of investment grants which ended on 31 December 1968: estimated at £51 million for manufacturing industry. £7 million for distributive and service industries, and £30 million for shipping. The estimate for shipping is particularly uncertain because of the erratic nature of this industry's capital expenditure, while that for the distributive and service industries is uncertain because of the smallness of the effect.

TABLE 2 Fixed capital expenditure of manufacturing industry at 1970 prices seasonally adjusted

£ million

Period	Total all manufacturing industries	Analysis by industry group: Food, drink and tobacco	Coal and petroleum products	Chemicals	Metal manufacture	Engineering shipbuilding and metal goods	Vehicles	Textiles leather and clothing	Paper printing and publishing	Other manufacturing industries	Analysis by type of asset: New building work	Vehicles	Plant and machinery
1966	1,773.7	203.3	78.1	304.8	151.5	361.6	193.2	164.3	111.1	205.8	363.4	98.3	1,312.0
1967	1,737.7	236.5	123.7	256.1	155.4	353.2	194.6	133.0	109.0	176.2	319.6	99.5	1,318.6
1968	1,851.2 (1,800.2)*	247.1	127.7	256.0	145.8	392.2	172.2	176.7	112.2	221.3	335.9	109.2	1,406.1 (1,355.1)*
1969	1,977.5 (2,028.5)*	238.8	102.9	296.4	167.9	394.0	208.7	189.4	121.3	258.1	390.1	115.9	1,471.5 (1,522.5)*
1970	2,129.8	246.4	82.8	382.3	256.4	422.3	233.4	170.9	134.2	201.1	391.2	114.7	1,623.9
1971	1,990.7	248.6	118.5	333.9	296.3	373.3	149.2	144.4	110.8	215.7	357.1	113.4	1,520.2
1972	1,739.2	258.7	100.8	240.0	255.3	343.8	98.8	120.0	101.8	220.0	305.5	123.3	1,310.4
1973	1,871.7	290.1	39.8	192.4	213.9	428.4	143.8	178.5	124.0	260.8	330.8	133.0	1,407.9
1974	2,024.0	294.8	44.9	223.1	250.5	479.4	158.3	190.3	131.6	251.1	361.4	138.2	1,524.4
1975	1,737.2	223.9	52.8	270.5	281.0	379.4	125.9	126.7	102.7	174.3	307.3	104.5	1,325.4
1976	1,650.5	218.8	49.9	271.3	290.9	346.2	127.1	92.1	82.3	171.9	251.5	120.3	1,278.7
1971 1st quarter	513.4	62.8	26.0	88.4	72.7	103.1	40.3	41.0	27.9	51.2	90.9	27.9	394.6
2nd quarter	499.0	61.0	26.7	78.7	71.3	96.4	40.7	39.5	29.4	55.3	90.0	29.0	380.0
3rd quarter	497.9	62.7	31.6	84.9	77.4	99.8	36.5	32.2	27.3	55.5	87.2	27.2	383.5
4th quarter	480.4	62.1	34.2	81.9	74.9	84.0	31.7	31.7	26.2	53.7	89.0	29.3	362.1
1972 1st quarter	458.1	60.0	30.8	69.0	84.1	82.1	26.2	26.3	22.1	57.5	79.8	28.2	350.1
2nd quarter	429.1	62.4	27.2	62.8	62.4	81.0	23.2	30.2	25.7	54.2	77.8	29.6	321.7
3rd quarter	424.8	67.8	22.2	57.5	53.6	88.5	23.5	30.3	26.7	54.7	76.3	31.9	316.6
4th quarter	427.2	68.5	20.6	50.7	55.2	92.2	25.9	33.2	27.3	53.6	71.6	33.6	322.0
1973 1st quarter	466.8	76.3	17.9	49.8	59.4	99.0	32.8	40.9	31.4	59.3	76.7	34.0	356.1
2nd quarter	448.9	64.8	18.1	49.3	40.7	106.4	34.0	40.5	30.8	64.3	78.2	31.9	338.8
3rd quarter	488.6	73.0	13.9	46.8	59.6	110.1	38.0	48.2	30.8	68.2	89.2	33.7	365.7
4th quarter	467.4	76.0	−10.1	46.5	54.2	112.9	39.0	48.9	31.0	69.0	86.7	33.4	347.3
1974 1st quarter	509.9	78.9	9.9	49.7	55.4	124.4	40.7	49.7	31.0	70.2	91.4	34.5	384.0
2nd quarter	502.2	76.0	9.8	51.5	60.8	117.6	39.8	48.6	34.1	64.0	89.4	35.3	377.5
3rd quarter	501.2	73.4	11.2	56.0	58.7	119.4	40.2	48.2	33.0	61.1	87.9	35.3	378.0
4th quarter	510.7	66.5	14.0	65.9	75.6	118.0	37.6	43.8	33.5	55.8	92.7	33.1	384.9
1975 1st quarter	471.2	63.2	12.8	68.2	69.8	106.5	35.3	36.7	29.0	49.7	87.4	28.5	355.3
2nd quarter	444.4	57.5	14.3	70.0	67.7	99.3	32.2	32.4	25.6	45.4	80.2	25.3	338.9
3rd quarter	416.1	49.7	14.7	69.3	70.9	89.4	28.6	29.0	25.4	39.1	72.7	24.9	318.5
4th quarter	405.5	53.5	11.0	63.0	72.6	84.2	29.8	28.6	22.7	40.1	67.0	25.8	312.7
1976 1st quarter	402.0	51.7	14.1	60.0	76.8	85.6	27.4	26.1	22.3	38.0	66.3	26.7	309.0
2nd quarter	408.2	49.6	12.8	66.6	79.6	84.4	31.2	23.3	21.4	39.3	61.9	31.3	315.0
3rd quarter	418.0	59.7	10.5	71.6	71.9	85.8	32.5	22.0	19.5	44.5	61.9	31.2	324.9
4th quarter	422.3	57.8	12.5	73.1	62.6	90.4	36.0	20.7	19.1	50.1	61.4	31.1	329.8

TABLE 3 Fixed capital expenditure in the distributive and service industries (excluding shipping) at 1970 prices seasonally adjusted

£ million

Period	Total	Analysis by industry group: Wholesale distribution	Retail distribution	Other industries	Analysis by type of asset: New building work	Vehicles	Plant and machinery
1966	1,334	147	231	956	570	342	421
1967	1,407	170	226	1,012	616	338	453
1968	1,561 (1,554)*	166	283	1,112 (1,105)*	624	368	570 (563)*
1969	1,683 (1,690)*	160	295	1,228 (1,235)*	650	389	643 (650)*
1970	1,799	176	299	1,325	666	394	739
1971	1,930	185	334	1,411	754	367	809
1972	2,071	198	400	1,473	736	436	899
1973	2,390	197	460	1,733	799	507	1,084
1974	2,289	174	432	1,683	803	478	1,008
1975	1,970	130	404	1,437	703	384	884
1976	1,898	132	401	1,365	632	427	839
1971 1st quarter	467	44	82	341	184	89	195
2nd quarter	479	46	86	346	185	96	198
3rd quarter	495	47	84	363	194	92	209
4th quarter	489	48	81	360	192	89	208
1972 1st quarter	487	49	91	347	178	102	207
2nd quarter	521	50	96	375	184	108	229
3rd quarter	522	46	103	373	180	112	231
4th quarter	540	53	109	378	195	114	232
1973 1st quarter	583	52	110	422	203	124	256
2nd quarter	593	50	118	426	203	121	269
3rd quarter	590	47	119	424	204	131	255
4th quarter	623	48	114	462	188	131	304
1974 1st quarter	601	47	107	447	210	125	266
2nd quarter	573	43	105	424	199	121	252
3rd quarter	556	45	102	409	201	116	239
4th quarter	559	39	118	402	193	116	250
1975 1st quarter	492	35	94	363	188	99	204
2nd quarter	498	34	102	363	181	93	224
3rd quarter	501	31	103	366	173	93	235
4th quarter	480	29	105	345	161	98	221
1976 1st quarter	452	32	106	315	160	98	194
2nd quarter	479	34	110	334	160	107	211
3rd quarter	484	35	96	353	162	111	211
4th quarter	483	31	90	362	150	110	223

TABLE 4 Fixed capital expenditure at current prices of manufacturing, distributive and service industries

£ million

Period	Total	Manufacturing industry	Distributive and service industries (excluding shipping)	Shipping industry
1966	2,787	1,517	1,172	99
1967	2,861	1,485	1,236	140
1968	3,304	1,639	1,418	247
1969	3,629	1,822	1,589	217
1970	4,294	2,130	1,799	364
1971	4,648	2,187	2,078	384
1972	4,971	2,044	2,373	553
1973	6,092	2,437	3,058	635
1974	7,087	3,145	3,447	611
1975	7,664	3,449	3,671	561
1976	8,448	3,941	4,114	393
1971 1st quarter	1,076	523	489	65
2nd quarter	1,131	519	504	108
3rd quarter	1,173	560	520	93
4th quarter	1,268	585	566	118
1972 1st quarter	1,160	512	543	105
2nd quarter	1,199	477	583	140
3rd quarter	1,197	504	582	111
4th quarter	1,415	552	666	197
1973 1st quarter	1,455	576	720	166
2nd quarter	1,383	541	733	118
3rd quarter	1,471	635	737	109
4th quarter	1,782	685	858	242
1974 1st quarter	1,619	711	832	90
2nd quarter	1,633	705	817	125
3rd quarter	1,795	795	840	173
4th quarter	2,099	934	968	223
1975 1st quarter	1,841	843	850	141
2nd quarter	1,828	815	880	137
3rd quarter	1,917	852	930	146
4th quarter	2,078	940	1,011	137
1976 1st quarter	1,960	906	930	110
2nd quarter	1,907	892	983	45
3rd quarter	2,184	997	1,039	148
4th quarter	2,398	1,146	1,162	91

NOTES TO TABLES

Capital expenditure comprises expenditure on vehicles (including ships) and plant and machinery less receipts from sales of these assets, and on new building work.

The analysis by industry group follows the Standard Industrial Classification Revised 1968 edition:

Manufacturing Orders III to XIX
Distributive Trades Order XXIII
Wholesale MLH 810, 811, 812, 831, 832 (except leasing by Finance Houses and similar businesses)
Retail MLH 820, 821
Other Industries Order XX (Construction): XXII (Transport and Communication) excluding 701 – Railways, 706 – Port and Inland Water Transport, 707 – Air Transport and 708 – Postal Services and Telecommunications: XXIV (Insurance, Banking, Finance and Business Services) including leasing by Finance Houses and similar Businesses and excluding Trustee Savings Banks; XXV (Professional and Scientific Services) excluding 872 – Educational Services and 874 – Medical and Dental Services; and XXVI (Miscellaneous Services).

SIC Orders I (Agriculture, Forestry and Fishing), II (Mining and Quarrying), XXI (Gas, Electricity and Water), and XXVI (Public Administration and Defence) are completely excluded.

The estimates with the exception of those for manufacturing industry in Table 2, are shown to the nearest £m but should not be regarded as accurate to this degree and care should be taken in using the industry figures in Tables 2 and 3, because of the margins of error involved in the quarterly seasonal adjustments. Also, there may be an apparent discrepancy between the total and the sum of the constituent parts due to rounding.

Manufacturers' and distributors' stocks in the fourth quarter

Manufacturing industry

Revised figures indicate that manufacturers' stocks increased by about £80 million at 1970 prices, seasonally adjusted, in the fourth quarter of 1976, compared with the provisional estimate of an increase of about £40 million. Work in progress and stocks of finished goods showed considerable increases but there was a fall in stocks of materials and fuel. Stocks of the engineering, shipbuilding, vehicles and metal goods industry group rose over the quarter following declines in the previous two quarters; stocks of the food, drink and tobacco group and the metal manufacture group continued to rise and there was little change in the stocks of the other broad industry groups.

In the year 1976 as a whole, manufacturers' stocks showed no change, following the heavy destocking of about £390 million which took place in 1975 and the heavy stockbuilding of about £670 million during 1974. In 1976, there were rises in stocks in the chemical and the metal manufacture industries and falls in the other four broad industry groups. By asset, there was a fall of about £90 million in materials and fuel stocks offset by rises of about £10 million and £80 million in work in progress and finished goods stocks, respectively.

The stocks/output ratio has been revised and is now estimated to have been 102.7 at the end of December, almost the same as the previous quarter. This compares with 106.7 a year earlier.

Distributive industries

The estimated increase in wholesalers' stocks in the fourth quarter has been revised from about £30 million to about £10 million, at 1970 prices, seasonally adjusted. The revised result implies a rise of some £20 million over the year. In the fourth quarter, an appreciable increase in stocks held by general wholesale distributors was largely offset by reductions in stocks for dealers in coal, builders' materials, etc, and dealers in industrial materials and machinery. Retailers' stocks rose by about £20 million at 1970 prices, seasonally adjusted in the fourth quarter, implying virtually no change over the year.

TABLE 1 Value of physical increase in industry's stocks at 1970 prices seasonally adjusted

£ million

	Total	Manufacturing	Wholesaling	Retailing
Level of stocks at end 1976	14,201	10,396	1,829	1,977
1970	379	325	68	−14
1971	−74	−148	52	22
1972	−82	−145	48	15
1973	888	404	102	382
1974	636	666	81	−111
1975	−526	−392	−111	−23
1976 r	19	−4	22	1
1971 1st quarter	24	26	14	−16
2nd quarter	−62	−95	26	7
3rd quarter	−26	−49	9	14
4th quarter	−10	−30	3	17
1972 1st quarter	−44	−62	17	1
2nd quarter	−29	−70	1	40
3rd quarter	−43	−36	6	−13
4th quarter	34	23	24	−13
1973 1st quarter	292	172	37	82
2nd quarter	307	99	3	205
3rd quarter	119	42	29	48
4th quarter	170	91	32	47
1974 1st quarter	−41	−21	18	−38
2nd quarter	259	197	43	19
3rd quarter	322	358	3	−39
4th quarter	96	133	17	−53
1975 1st quarter	−52	18	−31	−38
2nd quarter	−226	−105	−54	−66
3rd quarter	−225	−234	−29	38
4th quarter	−23	−70	4	43
1976 1st quarter	67	31	24	12
2nd quarter	−192	−115	−22	−55
3rd quarter	35	4	10	22
4th quarter r	109	77	10	22

TABLE 2 Value of the physical increase of stocks held by manufacturing industry at 1970 prices seasonally adjusted

£ million

	Analysis by industry group							Analysis by type of asset		
	All manufacturing industries	Food, drink and tobacco	Chemicals, coal and petroleum products	Metal manufacture	Engineering, shipbuilding, vehicles and metal goods	Textiles, leather and clothing	Other manufacturing industries	Materials and fuel	Work in progress	Finished goods
Level of stocks at end 1976	10,396	1,314	1,161	882	5,156	851	1,032	3,455	4,037	2,903
1970	325	11	43	50	222	1	−1	113	122	90
1971	−148	11	17	5	−164	−14	−3	−146	−98	96
1972	−145	20	3	−44	−85	−53	15	−41	32	−136
1973	404	72	80	−13	230	13	23	244	252	−92
1974	666	75	172	26	270	46	78	276	107	283
1975	−392	−99	−40	39	−120	−40	−132	−380	−112	99
1976 r	−4	−10	64	53	−73	−25	−13	−91	9	78
1971 1st quarter	26	8	−5	34	−26	9	6	−21	−22	69
2nd quarter	−95	−5	16	−27	−43	−32	−4	−45	−63	13
3rd quarter	−49	−12	−2	−8	−27	5	−5	−42	−8	1
4th quarter	−30	21	9	6	−69	4	−1	−37	−5	13
1972 1st quarter	−62	8	15	−50	−11	−13	−11	−13	12	−61
2nd quarter	−70	16	−21	5	−67	−13	10	−53	20	−38
3rd quarter	−36	−8	6	−4	−15	−17	2	3	−7	−32
4th quarter	23	4	3	5	8	−11	13	22	7	−5
1973 1st quarter	172	3	19	29	85	−5	42	73	100	−1
2nd quarter	99	24	31	−4	53	6	−12	74	51	−27
3rd quarter	42	24	16	−15	21	3	−7	31	59	−48
4th quarter	91	20	15	−24	71	9	−	66	43	−17
1974 1st quarter	−21	22	44	−50	−19	−1	−18	66	−7	−80
2nd quarter	197	27	39	1	55	30	46	61	21	115
3rd quarter	358	42	74	39	136	24	42	135	73	150
4th quarter	133	−16	15	36	98	−7	7	14	21	98
1975 1st quarter	18	−12	−5	55	7	−1	−26	−129	29	118
2nd quarter	−105	−54	−22	15	15	−22	−37	−59	−31	−16
3rd quarter	−234	−28	−32	−26	−86	−16	−46	−133	−72	−29
4th quarter	−70	−4	19	−5	−56	−2	−22	−58	−38	26
1976 1st quarter	31	−34	24	−7	38	10	−1	−43	37	37
2nd quarter	−115	−11	16	−5	−81	−19	−15	−37	−66	−12
3rd quarter	4	11	27	36	−62	−8	−1	22	−20	2
4th quarter r	77	24	−2	28	33	−9	3	−33	58	51

TABLE 3 Value of the physical increase of stocks held by wholesalers at 1970 prices seasonally adjusted

£ million

	Total wholesalers	General wholesale distributors	Dealers in coal, builders materials, etc.	Dealers in industrial materials and machinery
Level of stocks at end 1976	1,829	1,070	158	601
1970	68	15	—	53
1971	52	41	−3	14
1972	48	41	11	−3
1973	102	127	−1	−24
1974	81	6	—	75
1975	−111	−142	−13	44
1976 r	22	30	11	−19
1971 1st quarter	14	3	1	11
2nd quarter	26	20	1	5
3rd quarter	9	12	—	−3
4th quarter	3	6	−4	2
1972 1st quarter	17	2	1	14
2nd quarter	1	4	2	−5
3rd quarter	6	22	2	−18
4th quarter	24	13	7	5
1973 1st quarter	37	37	−1	1
2nd quarter	3	13	3	−13
3rd quarter	29	41	1	−13
4th quarter	32	36	−4	—
1974 1st quarter	18	19	6	−7
2nd quarter	43	21	1	22
3rd quarter	3	−22	−4	29
4th quarter	17	−12	−2	31
1975 1st quarter	−31	−52	12	9
2nd quarter	−54	−52	−11	9
3rd quarter	−29	−26	−6	4
4th quarter	4	−12	−7	23
1976 1st quarter	24	11	20	−7
2nd quarter	−22	8	−10	−20
3rd quarter	10	−16	6	20
4th quarter r	10	27	−4	−13

TABLE 4 Increase in the book value of manufacturers' and distributors' stocks

£ million

	Total	Manufacturing	Wholesaling	Retailing
Level of stocks at end 1976	34,392	25,988	4,502	3,902
1970	1,305	1,038	162	105
1971	768	471	160	137
1972	950	618	217	115
1973	3,408	2,331	593	484
1974	6,299	5,098	779	422
1975	3,302	2,574	212	516
1976 r	6,052	4,701	873	479
1971 1st quarter	260	211	29	21
2nd quarter	295	180	60	55
3rd quarter	113	28	70	14
4th quarter	100	53	—	47
1972 1st quarter	90	60	5	26
2nd quarter	198	113	25	60
3rd quarter	251	148	106	−3
4th quarter	412	298	82	32
1973 1st quarter	600	426	71	102
2nd quarter	678	494	88	96
3rd quarter	959	604	239	116
4th quarter	1,171	807	194	170
1974 1st quarter	1,756	1,492	204	60
2nd quarter	1,845	1,438	224	183
3rd quarter	1,521	1,249	199	73
4th quarter	1,177	919	152	106
1975 1st quarter	987	927	−16	76
2nd quarter	640	607	−20	53
3rd quarter	553	257	124	172
4th quarter	1,122	783	123	215
1976 1st quarter	1,004	829	119	56
2nd quarter	1,216	1,079	147	−9
3rd quarter	1,770	1,257	340	173
4th quarter r	2,057	1,536	262	259

Book values exclude VAT. Purchase Tax payable on retailer's stock prior to the second quarter of 1973.

Notes relating to Tables 1 to 4

The analysis by industry group follows the Standard Industrial Classification (1968 edition).

Manufacturing Orders III to XIX.

Distributive Trades Order XXII:

Wholesale MLH 810, 811, 812, 831, 832 (except leasing by Finance Houses)

Retail MLH 820, 821

The estimates are shown to the nearest £ million but should not be regarded as accurate to this degree and care should be taken in using the industry figures in Tables 2 and 3 because of the margin of error involved in quarterly seasonal adjustments. Differences between totals and the sum of constituent pa, s are due to rounding.

TABLE 5 The relationship of manufacturers' stocks to manufacturing production

	Index numbers – 4th quarter 1969 = 100 Seasonally adjusted				Index numbers – 4th quarter 1969 = 100 Seasonally adjusted		
	Stock levels at 1970 prices	Production (with 1970 net output weight)	Ratio of stocks to production		Stock levels at 1970 prices	Production (with 1970 net output weight)	Ratio of stocks to production
1967 Q1	94	89	105.4	1972 Q1	101	98	103.0
2	94	90	104.6	2	101	102	98.4
3	94	90	104.5	3	100	103	96.9
4	94	92	102.6	4	100	107	94.0
1968 Q1	93	94	98.8	1973 Q1	102	111	92.2
2	94	96	98.4	2	103	111	93.3
3	96	96	99.5	3	104	112	92.5
4	97	97	99.8	4	105	111	93.9
1969 Q1	98	98	100.0	1974 Q1	104	107	97.4
2	99	100	98.7	2	106	110	96.4
3	99	100	99.5	3	110	110	100.1
4	100	100	100.0	4	111	106	105.0
1970 Q1	101	100	101.1	1975 Q1	112	106	104.9
2	102	100	102.0	2	111	101	109.7
3	103	101	101.7	3	108	100	108.1
4	103	101	102.2	4	107	101	106.7
1971 Q1	104	99	104.2	1976 Q1	108	102	105.3
2	103	101	102.1	2	107	104	102.7
3	102	100	101.8	3	107	104	102.6
4	102	100	102.1	4	107	105	102.7

1 The index numbers of the level of stocks relate to the end of each quarter: the index of production refers to production during the quarter.

2 The 1970 index of production has been rebased on the fourth quarter of 1969 for the purpose of this table.

3 The index numbers of the stocks production ratio are calculated from unrounded estimates of the data in the previous two columns.

Note

The estimation of physical change in stock is subject to greater error when price increases are larger, and this should be borne in mind in using the figures.

Inquiries: 01-215 3176/5215 (manufacturing)
01-215 3345 (distributive)

Manufacturers' stocks in January

It is estimated that manufacturers' stocks showed no change in January. Indications are of a fall in finished goods stocks which was offset by rises in stocks of materials and fuel and work in progress.

Monthly figures from January 1976 adjusted to agree with the quarterly figures published in the preceding article are given below:

£ million

	1970 prices seasonally adjusted
1976 January	+40
February	No change
March	−10
April	−90
May	+40
June	−60
July	−50
August	+20
September	+30
October	+10
November	+10
December	+60
1977 January	No change

Inquiries: 01-215 3176/5215.

Registrations of British, community and foreign films

The following are details of films registered by the Department of Trade under the Films Acts 1960 to 1970, as amended by the European Communities Act 1972, during the week ended Friday, 25 March 1977.

BR/E indicates that the film is a British quota film, EC that the film is a quota film. The date which forms part of the registration number of each is the date on which quota life of the film expires.

Title of film	Registered no.	Playing time minutes	Date of registration	Registered in the name of	Maker's name
			BRITISH		
Come Play With Me	BR/E 39066/27/3/82	94	25 March	Tigon Film Distributors Ltd	Roldvale Ltd, London
Stand Up Virgin Soldiers	BR/E 39068/27/3/82	91	25 March	Columbia-Warner Distributors Ltd	Maidenhead Film Productions Ltd, London
Jabberwocky	BR/E 39069/27/3/82	104	25 March	Columbia-Warner Distributors Ltd	Umbrella Entertainment Productions Ltd, London
The Morning Spider	BR/E 39070/27/3/82	23	25 March	Columbia-Warner Distributors Ltd	Black and White Colour Film Co Ltd, London
Movietone News 2494	BR/E 38855/27/3/82	8	25 March	British Movietonews Ltd	British Movietonews Ltd
			COMMUNITY		
Lust In The Sun	EC 39061/27/3/82	83	21 March	Ranworth Film Services Ltd	Univers Galaxie, Paris
Naked And Lustful	EC 38986/27/3/82	90	25 March	English Film Co Ltd	Eurafi, Brussels
			FOREIGN		
Bloody Virgin	F 39062	91	21 March	Cinecenta Film Distributors Ltd	Faros Films, Athens
Take An Easy Ride	F 39063	55	21 March	Childs Associates (Films) Ltd	KFR Productions, Kent
Alex And The Gypsy	F 39064	99	23 March	Twentieth Century-Fox Film Co Ltd	Twentieth Century-Fox Corporation, California
Airport 1977	F 39065	114	23 March	Cinema International Corporation (UK)	Universal Pictures, California
Donald Duck Goes West	F 39067	66	25 March	Walt Disney Productions Ltd	Walt Disney Productions, California

AMENDMENT TO THE REGISTER
The playing time of the film 'Secrets of Sex' (BR/E 34712), registered on 5 March 1970, has been amended to (a) 82 minutes (b) 33 minutes.

Government Publications in the North

from

Her Majesty's Stationery Office, Brazennose Street, Manchester M60 8AS

Sales by wholesale textile houses in January

Sales by wholesale textile houses in January showed a decrease of 1 per cent on a year earlier, compared with a decrease of 13 per cent in November and an increase of 15 per cent in December.

The value of stocks at the end of January showed an increase of 4 per cent compared with the same period last year.

TABLE 1 Total sales and stocks

Index numbers and *percentage increase compared with a year earlier* 1950 = 100

	Value of home sales		Value of stocks end period	
1966	110	*–3*	..	..
1967	104	*–5*	..	..
1968	108	*4*	..	..
1969	103	*–5*	..	..
1970	107	*4*	..	..
1971	115	*8*	..	.
1972	121	*5*	..	..
1973	134	*11*	..	..
1974	147	*9*	..	..
1975	147	*1*	..	..
1976	146	*–1*	..	..
1973 1st quarter	120	*18*	184	*12*
2nd quarter	123	*11*	171	*17*
3rd quarter	130	*6*	173	*12*
4th quarter	163	*10*	204	*21*
1974 1st quarter	134	*12*	189	*3*
2nd quarter	131	*7*	202	*18*
3rd quarter	148	*13*	194	*12*
4th quarter	173	*6*	198	*–3*
1975 1st quarter	143	*7*	219	*16*
2nd quarter	135	*3*	197	*–2*
3rd quarter	146	*–1*	193	*–1*
4th quarter	165	*–5*	224	*13*
1976 1st quarter	133	*–8*	234	*7*
2nd quarter	127	*–6*	212	*8*
3rd quarter	149	*2*	204	*6*
4th quarter	176	*8*	228	*2*
1976 January	86	*–12*	213	*4*
February	138	*–11*	227	*6*
March	174	*–1*	234	*7*
April	136	*–9*	208	*7*
May	128	*—*	217	*2*
June	119	*–9*	212	*8*
July	115	*–8*	221	*6*
August	137	*9*	216	*5*
September	194	*4*	204	*6*
October	184	*–4*	208	*6*
November	169	*–13*	229	*–1*
December	175	*15*	228	*2*
1977 January	85	*–1*	221	*4*

Detailed statistics of UK overseas trade

Each month the Overseas Trade Statistics give a considerable amount of detail about United Kingdom imports, exports of commodities and, for many of them the most important countries. The information in these statistics is a summary of much more detailed information. This is derived from declarations made by traders to HM Customs and Excise under the descriptions in the Tariff and Overseas Trade Classification (which has over 11,000 commodity headings); there are 199 specified countries.

The fully detailed information is not published on a monthly basis but, when circumstances allow, HM Customs and Excise can supply detailed information about trade under individual descriptions of the Tariff and Overseas Trade Classsification and with individual countries or through United Kingdom ports, either for particular months or for longer periods. A charge is made which covers the cost of the service.

Applications should be made to the Statistical Office, Bill of Entry Section, HM Customs and Excise, 27 Victoria Avenue; Southend-on-Sea, Essex, SS2 6AL (Tel. Southend (0702) 49421, ext. 316 or 323 for Imports, or ext. 314 or 315 for Exports; Telex 99112 CUSEX Southend).

TABLE 2 Analysis by department

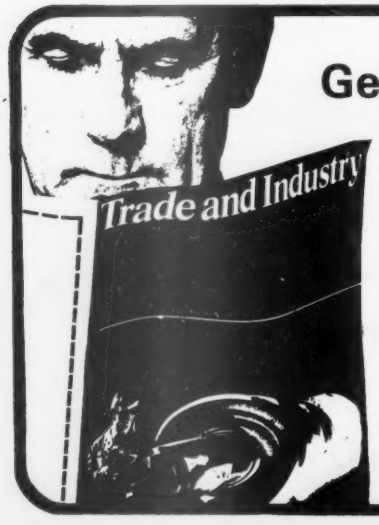
Percentage increase compared with a year earlier

	Sales	Stocks†
	Jan. 1977	Jan. 1977
Women's knitted outerwear, blouses and skirts	–4	9
Women's coats, costumes, furs and raincoats	–22	18
Women's underwear	22	9
Women's hose and children's socks	5	1
Women's millinery	–11	–3
Haberdashery, ribbons and wool	10	11
Children's wear	9	27
Men's and boys' shirts, pyjamas and outfitting	27	–7
Gloves	69	26
Piece-goods and nets	–36	–10
Household textiles	4	11
Floor coverings, furniture and hardware	–6	–5
Boots and shoes	34	7
Total‡	–1	4

† Including some items not included among the sub-headings.
‡ Values at cost.

Note

These statistics are prepared by Textile Distributors' Association. Inquiries should be addressed to the Secretary, the Textile Distributors' Association, 3 Berners Street, London W1P 4JP (tel. 01-580 2902).



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Activity in the chemicals industry

Output

Revised figures now show that chemicals output rose steadily through 1976 to reach a level in the fourth quarter which exceeded the previous peak output of the third quarter of 1974. In 1976 as a whole, output was 10 per cent higher than in 1975; the sectors which showed the largest increases namely organics, synthetic resins and plastics materials, synthetic rubber, and dyestuffs and pigments were those which had fallen furthest in 1975.

The major stimulus to demand in 1976 came from exports and it is expected that this will be again the situation in 1977 when the growth in home demand is expected to be less buoyant than in 1976. Of the chemicals output absorbed by the UK market about a half is taken by other industrial sectors, so that the outlook for chemicals depends a good deal on the prospects for industrial production. The National Institute for Economic and Social Research (NIESR) in their February *Economic Review* forecast a rise of 1.2 per cent in industrial production in 1977 and an increase of 6 per cent in chemicals output. Assuming that industrial production will rise only slowly in 1977 it seems unlikely that chemicals output will increase as fast as NIESR forecast; it could well be optimistic to expect it to rise by as much as 5 per cent in 1977.

The more buoyant sectors of the industry in 1977 are expected to be pharmaceuticals, inorganic and organic chemicals and synthetic resins and plastics materials while the sector oriented more to the home market, viz toilet preparations, paint, fertilisers and synthetic rubber are expected to do less well.

Trade

The volume of exports rose sharply by 5 per cent in the fourth quarter of 1976 thus resuming the strong rise shown earlier in the year. In 1976 as a whole, export volume rose by 20 per cent and more than recovered from the fall in 1975. The strong competitive position of the UK industry with relatively weak UK demand should enable the rise in the volume of exports in 1977 to exceed that in world trade and is expected to be about 10 per cent.

The volume of imports of chemicals rose by 3 per cent in the fourth quarter of 1976 to give a level for the year as a whole 24 per cent higher than in 1975. It is expected that the rise in import volume in 1977 will be fairly modest and less than the increase in export volume; but in the three months to February 1977 there was no sign of any slowing down in the rise in import volume.

Prices

Output prices rose by 3¼ per cent in the fourth quarter of 1976 to show an increase of 15½ per cent during 1976; this was only slightly less than the rise of 18½ per cent during 1975. The value of purchases of materials and fuel by the industry is about half the value of industry's total sales; prices of these inputs again rose sharply, by 7 per cent, in the fourth quarter of 1976 to a level some 24 per cent higher than in the same period a year earlier. As a rise in input prices feeds through to output prices after a delay, currently of about six to nine months, it seems unlikely that the rise in output prices will moderate in the short term.

Export prices (unit value indices) rose faster than home sales prices in the fourth quarter of 1976, suggesting that exporters may have tried to maintain the $ value of their exports despite the depreciation in sterling. The rate of increase in the price of imported chemicals fluctuated a good deal during 1976; there were especially large increases in the second and fourth quarters reflecting the sharp depreciation in the value of sterling.

TABLE 1 Index of production

Index numbers 1970 = 100, seasonally adjusted

MLH		1971	1972	1973	1974	1975	1976	1975 2nd qtr	1975 3rd qtr	1975 4th qtr	1976 1st qtr	1976 2nd qtr	1976 3rd qtr	1976 4th qtr	% change last quarter on: Previous quarter	% change last quarter on: Same quarter a year earlier
271	General chemicals	100.7	104.5	119.2	134.8	114.0	128.3	106.8	108.8	119.7	124.0	129.9	128.2	131.1	2	10
271/1	Inorganic chemicals	101.1	99.2	109.2	114.8	95.7	104.8	92.5	91.0	91.8	98.1	104.6	106.3	110.1	4	20
271/2	Organic chemicals	102.8	115.3	137.6	165.5	136.5	162.9	124.2	129.1	155.1	155.4	167.0	163.5	165.8	1	7
271/3	Other chemicals	97.8	97.7	108.9	121.3	108.2	114.1	102.4	105.0	109.7	116.2	114.5	111.5	114.0	2	4
272	Pharmaceutical chemicals and preparations	107.0	115.7	136.4	145.9	148.4	157.3	151.9	141.2	148.6	153.5	150.6	159.7	165.3	4	11
273	Toilet preparations	105.4	112.9	126.1	139.2	135.4	136.2	131.4	136.3	132.3	137.7	134.6	135.0	137.4	2	4
274	Paint	103.0	110.1	120.9	115.4	113.8	123.9	116.5	113.6	113.1	118.1	119.1	127.2	131.0	3	16
275	Soap and detergents	99.1	102.5	105.8	115.4	110.2	113.9	112.6	107.5	114.4	109.8	119.1	117.8	109.0	−7	−5
276/1	Synthetic resins and plastics materials	101.1	110.8	126.6	119.4	101.4	124.1	95.6	99.5	112.2	122.5	121.7	122.8	129.2	5	15
276/2	Synthetic rubber	90.5	100.0	118.2	108.7	84.1	105.1	80.8	66.0	93.4	96.9	110.7	104.4	108.5	4	16
277	Dyestuffs and pigments	97.0	106.7	112.2	118.6	98.1	112.4	93.1	94.6	99.2	106.3	112.7	114.4	116.1	1	17
278	Fertilisers	105.5	99.5	99.1	101.1	100.1	103.4	94.5	101.7	105.1	96.6	110.8	99.1	107.2	8	2
279	Other chemical industries	102.1	108.6	114.3	118.6	111.1	117.2	110.3	110.2	110.4	112.9	112.0	119.0	125.0	5	13
Order V	Chemical and allied industries	102.1	108.1	120.9	127.9	116.3	128.2	113.2	112.6	120.0	124.2	126.9	128.8	132.7	3	11
	Total manufacturing industry	99.7	102.3	110.9	108.1	101.7	103.3	100.5	99.8	100.5	101.9	103.6	103.6	104.3	1	4

TABLE 2 Sales of principal products

£ million, 1970 prices not seasonally adjusted

MLH		1970	1971	1972	1973	1974	1975	1975 2nd qtr	1975 3rd qtr	1975 4th qtr	1976 1st qtr	1976 2nd qtr	1976 3rd qtr
271	General chemicals	1,194	1,203	1,254	1,433	1,629	1,374	327	317	361	387	397	374
271/1	Inorganic chemicals	378	382	375	413	434	361	88	82	88	96	99	96
271/2	Organic chemicals	462	475	533	635	765	630	147	144	176	186	196	182
271/3	Other chemicals	354	346	346	385	430	383	92	91	97	105	102	96
272	Pharmaceutical chemicals and preparations	436	466	504	595	636	647	168	146	165	170	167	165
273	Toilet preparations	162	171	183	204	225	216	51	59	57	48	52	60
274	Paint	188	194	207	227	217	214	58	54	50	56	59	60
275	Soap and detergents	221	219	227	234	255	243	61	58	63	64	64	64
276	Synthetic resins and plastics materials and synthetic rubber	539	540	592	675	636	536	132	125	150	162	167	154
277	Dyestuffs and pigments	141	137	150	158	167	139	34	32	35	39	40	39
278	Fertilisers	162	171	161	161	164	162	40	43	38	41	46	42
279	Other chemical industries	405	413	436	464	478	458	120	102	111	123	122	112
Order V	Chemical and allied industries	3,448	3,514	3,714	4,151	4,407	3,989	991	936	1,030	1,091	1,114	1,070

TABLE 3 Imports of principal products of the chemical industry

£ million cif current prices, not seasonally adjusted

MLH		1970	1971	1972	1973	1974	1975	1976	1975 2nd qtr	1975 3rd qtr	1975 4th qtr	1976 1st qtr	1976 2nd qtr	1976 3rd qtr	1976 4th qtr
271	General chemicals	305.1	307.3	340.2	458.8	865.9	818.3	1,078.3	189.2	192.3	220.7	230.8	263.2	285.1	299.1
271/1	Inorganic chemicals	74.7	72.3	78.6	102.3	165.9	172.9	240.9	44.8	41.9	41.9	51.3	61.5	60.1	67.9
271/2	Organic chemicals	161.1	155.0	161.8	236.8	503.2	398.1	577.3	92.6	84.8	104.2	122.1	136.5	157.5	161.2
271/3	Other chemicals	69.3	79.9	99.8	119.7	196.8	247.4	260.1	51.9	65.7	74.6	57.4	65.2	67.5	70.0
272	Pharmaceutical chemicals and preparations	39.5	43.3	50.6	76.5	110.1	115.2	164.9	25.6	29.4	33.7	38.5	37.9	40.1	48.4
273	Toilet preparations	5.1	6.2	9.0	15.1	21.2	25.3	31.2	6.5	6.6	6.4	6.0	6.8	9.4	9.0
274	Paint	5.4	5.9	7.3	9.9	14.8	13.9	21.2	3.1	3.4	4.3	4.5	5.4	5.2	6.3
275	Soap and detergents	7.1	7.9	11.4	12.8	24.4	17.4	24.2	3.9	4.1	4.6	5.6	6.4	5.5	6.7
276/1	Synthetic resins and plastics materials	106.4	110.7	133.0	189.4	340.5	243.7	432.9	56.5	61.7	71.4	91.2	106.7	113.6	121.3
276/2	Synthetic rubbers	18.8	20.6	20.7	26.9	39.0	42.2	61.9	9.3	9.7	12.2	13.8	15.3	14.2	18.6
277	Dyestuffs and pigments	27.5	31.7	35.2	49.1	58.6	44.4	77.5	10.5	10.9	13.3	17.2	18.0	21.9	20.5
278	Fertilisers	23.0	25.8	32.8	35.1	57.0	55.1	60.8	13.7	12.1	11.8	17.8	15.6	13.7	13.7
279	Other chemical industries	39.5	46.2	53.7	72.1	113.4	122.5	176.9	31.5	28.9	31.3	43.7	41.9	46.5	44.8
Order V	Chemical and allied industries	577.4	605.6	693.9	945.7	1,644.9	1,498.0	2,129.7	349.8	359.0	409.6	469.0	517.2	555.2	588.3

TABLE 4 Exports of principal products of the chemical industry

£ million, fob current prices, not seasonally adjusted

MLH		1970	1971	1972	1973	1974	1975	1976	1975 2nd qtr	1975 3rd qtr	1975 4th qtr	1976 1st qtr	1976 2nd qtr	1976 3rd qtr	1976 4th qtr
271	General chemicals	320.8	360.6	386.5	535.9	1,011.8	948.4	1,414.6	231.8	223.5	263.9	305.9	366.2	363.4	379.1
271/1	Inorganic chemicals	62.1	61.6	63.7	87.7	139.1	139.3	180.1	34.1	29.5	35.0	36.9	46.4	44.6	52.1
271/2	Organic chemicals	135.8	154.1	165.4	247.7	553.3	459.8	704.5	107.6	106.8	135.2	158.4	182.2	179.7	184.2
271/3	Other chemicals	122.9	144.9	157.4	200.6	319.5	349.3	530.0	90.1	87.2	93.6	110.6	137.5	139.1	142.7
272	Pharmaceutical chemicals and preparations	132.5	159.9	171.7	209.6	283.5	347.4	424.4	94.6	83.4	89.3	97.7	100.2	104.3	122.1
273	Toilet preparations	22.4	24.0	28.2	34.3	46.7	57.3	83.0	14.9	14.8	14.7	16.1	20.4	22.4	24.2
274	Paint	19.8	21.6	23.6	29.2	46.4	55.3	74.0	14.8	12.9	14.1	14.9	17.7	18.7	22.7
275	Soap and detergents	28.0	28.4	29.2	40.0	71.8	80.0	110.7	21.4	19.2	21.4	21.7	27.4	27.4	34.2
276/1	Synthetic resins and plastics materials	133.0	145.0	159.3	198.8	329.1	314.1	470.8	75.4	69.3	91.6	103.5	120.2	115.8	131.3
276/2	Synthetic rubber	19.8	22.3	25.6	34.3	46.6	37.8	56.2	9.4	8.0	11.5	12.5	14.8	13.1	15.8
277	Dyestuffs and pigments	53.6	60.0	73.7	99.9	148.4	124.9	185.5	29.8	28.9	34.6	37.2	46.5	49.5	52.2
278	Fertilisers	4.8	3.6	7.0	14.8	46.4	53.4	51.1	15.0	4.7	6.6	18.7	9.7	8.7	14.1
279	Other chemical industries	111.4	128.4	138.9	166.8	234.7	283.9	345.6	75.2	69.6	68.5	84.6	88.4	82.5	90.0
Order V	Chemical and allied industries	846.1	953.8	1,043.7	1,363.6	2,265.4	2,302.4	3,215.9	582.3	534.3	616.3	712.8	811.4	805.9	885.8

Capital expenditure

There was a further rise in the volume of investment by the chemicals industry in the fourth quarter of 1976 and for 1976 as a whole investment was much the same as in 1975. This outcome for 1976 was about midway between the estimates, made available at about this time last year, by the Chemical Industries Association (which was optimistic) and by the Department of Industry. In their latest investment intentions survey the Chemical Industries Association (CIA) estimate that the volume of investment by the chemicals industry will rise by 17 per cent in 1977. The results of the Department of Industry's Investment Intentions Inquiry (taken about two months before the CIA's) suggest again a smaller rise in investment in 1977 which may not be much more than half the CIA's estimate.

Inquiries

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Notes

The index of production measures net output at constant 1970 prices of all establishments classified to a Minimum List Heading.

In table 2 are shown sales, at constant 1970 prices, of those products which are regarded as characteristic or principal products of a Minimum List Heading. Sales of the products, by establishments not classified to the Minimum List Heading, are included.

The current price figures in tables 3 and 4 are obtained from the Overseas Trade Statistics by combining those trade headings which correspond as closely as possible with the principal products of each Minimum List Heading. The constant price data are obtained by deflating the current price data using appropriate average value indices. This procedure provides base weighted trade data at constant prices which are consistent with the data in table 2.

The unit value and volume index numbers shown in table 5 relate to Standard International Trade Classification (Revised) Section 5 which does not cover precisely the same products as those which are regarded as principal products of Order V of the Standard Industrial Classification.

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£ million cif 1970 prices, not seasonally adjusted

MLH		1970	1971	1972	1973	1974	1975	1976	1975 2nd qtr	1975 3rd qtr	1975 4th qtr	1976 1st qtr	1976 2nd qtr	1976 3rd qtr	1976 4th qtr
271	General chemicals	305	298	329	379	390	340	396	77	83	92	94	97	104	102
271/1	Inorganic chemicals	75	68	72	86	86	75	86	18	19	18	20	22	22	23
271/2	Organic chemicals	161	155	165	197	193	152	206	36	34	40	49	50	55	52
271/3	Other chemicals	69	75	92	97	110	113	104	24	30	34	25	26	27	27
272	Pharmaceutical chemicals and preparations	40	40	47	61	75	60	72	14	14	15	17	17	17	20
273	Toilet preparations	5	6	9	13	15	18	18	5	4	4	3	4	5	5
274	Paint	5	6	6	8	9	8	10	2	2	2	2	3	2	3
275	Soap and detergents	7	8	11	11	12	9	11	2	2	2	3	3	3	3
276/1	Synthetic resins and plastics materials	106	118	148	184	204	142	208	33	36	41	50	53	53	52
276/2	Synthetic rubber	19	23	24	23	23	26	28	6	6	7	7	7	6	7
277	Dyestuffs and pigments	28	30	31	39	36	24	35	6	6	7	9	8	10	9
278	Fertilisers	23	24	28	26	25	19	22	5	4	4	6	6	5	5
279	Other chemical industries	40	45	50	55	65	56	69	15	13	14	20	17	18	15
Order V	Chemical and allied industries	577	598	684	799	854	702	869	165	171	189	211	214	223	220

£ million, fob 1970 prices, not seasonally adjusted

MLH		1970	1971	1972	1973	1974	1975	1976	1975 2nd qtr	1975 3rd qtr	1975 4th qtr	1976 1st qtr	1976 2nd qtr	1976 3rd qtr	1976 4th qtr
271	General chemicals	321	349	365	469	580	431	550	105	104	116	135	144	136	135
271/1	Inorganic chemicals	62	60	59	67	68	56	63	13	12	14	14	17	15	17
271/2	Organic chemicals	136	152	160	230	314	210	277	48	52	61	74	72	67	65
271/3	Other chemicals	123	138	146	172	198	166	209	44	40	41	47	56	54	53
272	Pharmaceutical chemicals and preparations	133	154	163	193	232	232	253	64	55	55	61	61	62	69
273	Toilet preparations	22	22	26	29	28	28	37	7	7	7	8	9	10	10
274	Paint	20	21	21	23	25	26	29	7	6	6	6	7	7	8
275	Soap and detergents	28	27	27	34	43	38	48	10	9	10	10	12	12	14
276/1	Synthetic resins and plastics materials	133	148	167	179	187	163	221	38	37	50	53	59	54	56
276/2	Synthetic rubbers	20	21	23	28	28	18	23	5	4	5	5	6	5	6
277	Dyestuffs and pigments	54	57	65	77	80	59	72	14	14	16	16	19	19	19
278	Fertilisers	5	4	7	13	25	27	20	8	2	3	6	3	4	6
279	Other chemical industries	111	131	146	157	171	158	161	43	37	36	42	42	38	39
Order V	Chemical and allied industries	846	933	1,008	1,202	1,398	1,178	1,412	300	275	303	342	363	345	363

TABLE 5 Unit value and volume index numbers: chemicals SITC(R) section 5 Overseas Trade Statistics basis

Index numbers 1970 = 100, seasonally adjusted

	1971	1972	1973	1974	1975	1976	1975 2nd qtr	1975 3rd qtr	1975 4th qtr	1976 1st qtr	1976 2nd qtr	1976 3rd qtr	1976 4th qtr
Import volume	103	118	140	151	122	150	111	117	134	143	148	153	157
Export volume	110	118	143	169	142	171	134	136	148	164	167	171	180
										Index numbers 1970 = 100, *not* seasonally adjusted			
Import unit value	102	104	125	207	229	267	236	230	234	239	262	274	297
Export unit value	102	104	114	169	209	238	209	209	211	219	232	245	259

TABLE 6 Price index numbers of output (home sales)

1970 = 100

MLH		1971	1972	1973	1974	1975	1976	1975 2nd qtr	1975 3rd qtr	1975 4th qtr	1976 1st qtr	1976 2nd qtr	1976 3rd qtr	1976 4th qtr
271	General chemicals	107.0	109.8	114.4	158.4	201.1	244.6	200.3	207.9	213.8	224.2	240.2	251.8	262.5
271/1	Inorganic chemicals	108.0	112.3	116.8	140.7	197.1	238.4	194.4	207.5	216.2	223.7	234.8	242.4	252.8
271/2	Organic chemicals	106.3	108.1	112.9	185.7	222.7	270.1	220.8	227.8	231.7	247.4	262.4	278.3	292.2
272	Pharmaceutical chemicals	110.4	107.7	112.6	137.6	183.1	204.0	178.6	189.4	195.3	187.6	201.0	209.8	217.6
272	Pharmaceutical preparations	103.6	109.1	112.3	126.9	160.7	192.1	154.3	168.7	174.0	179.7	187.6	197.8	203.4
273	Toilet preparations	108.3	118.6	124.3	136.8	164.5	189.6	159.9	170.6	173.9	182.2	186.5	192.2	197.8
274	Paint	112.4	120.6	127.5	161.9	203.6	224.5	201.6	205.3	211.5	220.0	222.1	225.4	230.7
275	Soap and synthetic detergents	103.0	112.3	123.8	162.8	185.1	210.0	182.4	187.9	188.9	200.6	206.2	212.7	220.5
276/1	Synthetic resins and plastics materials	102.6	103.8	105.6	156.4	181.8	210.8	180.0	181.9	188.3	194.6	205.6	217.5	225.6
277	Dyestuffs and pigments	111.6	115.7	122.6	141.5	174.0	214.7	168.1	181.8	187.3	201.0	205.2	221.0	231.9
279	Other chemical industries	108.5	115.1	120.6	145.9	187.1	216.4	180.6	192.9	202.5	208.4	212.1	217.6	227.3
Order V	Chemicals and allied industries*	108.2	113.7	118.9	152.8	188.7	217.5	186.2	192.8	198.2	206.5	213.7	221.0	228.8
	Total manufacturing industry	109.0	114.8	123.2	152.1	188.7	219.6	186.3	193.4	199.1	206.9	214.4	223.2	233.9

* This index refers only to sales outside the chemical industry, including sectors not shown above.

TABLE 7 Price index numbers of materials and fuel purchased

1970 = 100

MLH		1971	1972	1973	1974	1975	1976	1975 2nd qtr	1975 3rd qtr	1975 4th qtr	1976 1st qtr	1976 2nd qtr	1976 3rd qtr	1976 4th qtr
Order V	Chemicals and allied industry	108.8	112.2	135.9	215.4	239.1	283.8	233.5	241.0	250.8	258.7	276.5	289.4	310.3
	Total manufacturing industry	104.6	109.2	144.5	215.1	235.5	299.0	225.6	239.3	256.1	266.5	292.6	306.8	329.9

TABLE 8 Employees in employment: Great Britain

Thousands, monthly averages

MLH		Mid-year count							1975		1976			
		1970	1971	1972	1973	1974	1975	1976	3rd qtr	4th qtr	1st qtr	2nd qtr	3rd qtr	4th qtr
271	General chemicals	141	143	139	135	134	133	133	133	133	132	133	134	134
272	Pharmaceutical chemicals and preparations	71	73	74	74	78	77	74	77	76	74	74	74	74
273	Toilet preparations	22	23	25	27	27	25	23	24	23	22	23	23	24
274	Paint	31	29	27	27	28	27	27	27	27	27	27	27	27
275	Soap and synthetic detergents	18	15	15	15	16	17	17	18	17	17	17	17	17
276	Synthetic resins and plastics materials and synthetic rubber	51	48	46	47	50	50	50	50	49	49	50	51	51
277	Dyestuffs and pigments	21	20	19	22	24	23	22	23	22	22	22	22	22
278	Fertilisers	11	11	11	11	12	12	12	12	12	12	12	12	12
279	Other chemicals	75	73	69	69	68	67	67	67	66	66	67	68	69
Order V	Chemical and allied industries	440	435	426	427	436	431	425	430	425	421	423	427	430
	Total manufacturing industry	8,164	7,886	7,655	7,700	7,719	7,376	7,176	7,307	7,251	7,150	7,124	7,193	7,237

Source: Department of Employment Gazette; Industrial analysis of employees in employment.

TABLE 9 Capital expenditure

£ million

		Current prices not seasonally adjusted	1970 prices, seasonally adjusted
1963		127.8	172.7
1964		162.2	214.8
1965		217.4	274.0
1966		254.3	304.8
1967		214.7	256.1
1968		223.1	256.0
1969		267.6	296.4
1970		382.3	382.3
1971		367.1	333.9
1972		281.1	240.0
1973		249.5	192.4
1974		352.7	223.1
1975		547.0	270.6
1976		646.4	271.3
1975	1st quarter	120.4	68.2
	2nd quarter	135.8	70.0
	3rd quarter	138.3	69.3
	4th quarter	152.5	63.0
1976	1st quarter	131.4	60.0
	2nd quarter	152.5	66.6
	3rd quarter	162.0	71.6
	4th quarter	201.1	73.1

Steel consumption and stocks in the fourth quarter of 1976

Seasonally adjusted estimates of consumption, deliveries and stocks of finished steel in the fourth quarter of 1976 are given in table 1 and with a detailed analysis of stocks in table 5. Estimates of consumption and stocks, by industry, are given in tables 2, 3 and 4.

Consumption by industry: table 2

Consumption of finished steel in the fourth quarter of 1976, was 4.06 million tonnes, the highest since the first quarter of 1975, with the exception of the first quarter 1976. Consumption in 1976 was 2 per cent higher than in the previous year. The motor industry in 1976 increased its consumption by 12.7 per cent over 1975. On the same comparison hollow-ware increased by 16.5 per cent; mechani-

TABLE 1 Consumption, deliveries and stocks of finished steel

Seasonally adjusted

		Consumption m. tonnes	Deliveries m. tonnes			Stocks at end of period m. tonnes			Ratio of stocks to weekly consumption (b)		
			From UK production to consumers and stockholders	Imports	Total to consumers (a)	Consumers	Stockholders	Total	Consumers	Stockholders	Total
1969		17.78	17.14	1.18	18.28	3.77	0.63	4.40	10.8	1.9	12.7
1970		17.64	17.10	1.04	17.91	4.15	0.87	5.02	11.9	2.5	14.4
1971		16.72	14.50	1.41	16.07	3.47	0.71	4.18	11.5	2.3	13.8
1972		16.75	14.59	2.14	16.72	3.44	0.72	4.16	9.6	2.0	11.6
1973		18.45	16.80	2.51	19.45	4.44	0.58	5.02	13.2	1.8	15.0
1974		17.58	15.07	3.29	18.07	4.96	0.87	5.83	15.1	2.6	17.7
1975		15.45	12.03	3.03	15.01	4.53	0.92	5.45	14.5	2.9	17.4
1976		15.80	12.66	3.15	15.65	4.37	1.08	5.45	14.0	3.5	17.5
1973	1st quarter	4.67	4.15	0.65	4.80	3.57	0.73	4.30	10.6	2.2	12.8
	2nd quarter	4.37	4.13	0.44	4.61	3.82	0.68	4.50	10.8	1.9	12.7
	3rd quarter	4.60	4.26	0.61	4.91	4.12	0.64	4.76	11.1	1.8	12.9
	4th quarter	4.81	4.26	0.81	5.13	4.44	0.58	5.02	13.2	1.8	15.0
1974	1st quarter	4.36	3.98	0.97	4.92	5.00	0.62	5.62	14.2	1.8	16.0
	2nd quarter	4.59	3.93	0.82	4.62	5.06	0.75	5.81	15.5	2.3	17.8
	3rd quarter	4.25	3.56	0.70	4.19	5.00	0.81	5.81	14.8	2.4	17.2
	4th quarter	4.38	3.60	0.80	4.34	4.96	0.87	5.83	15.1	2.6	17.7
1975	1st quarter	4.27	3.55	0.85	4.26	4.95	1.01	5.96	17.4	3.6	21.0
	2nd quarter	3.70	2.88	0.66	3.56	4.82	0.99	5.81	16.8	3.5	20.3
	3rd quarter	3.71	2.76	0.74	3.56	4.67	0.93	5.60	16.1	3.2	19.3
	4th quarter	3.77	2.84	0.78	3.63	4.53	0.92	5.45	14.5	2.9	17.4
1976	1st quarter	4.07	3.05	0.84	3.91	4.37	0.90	5.27	14.6	3.0	17.6
	2nd quarter	3.89	3.18	0.72	3.86	4.35	0.94	5.29	14.9	3.2	18.1
	3rd quarter	3.78	3.24	0.70	3.83	4.39	1.05	5.44	14.4	3.3	17.4
	4th quarter	4.06	3.19	0.89	4.05	4.37	1.08	5.45	14.0	3.5	17.5

(a) Total deliveries to consumers are deliveries from UK production to consumers and steel stockholders plus imports minus stock build by steel stockholders.
(b) Calculated as stocks divided by weekly consumption in the following quarter, with the exception of the latest quarter when the divisor is weekly consumption in that quarter.

cal engineering was a little higher than 1975, while shipbuilding fell by 15 per cent.

Stocks by industry: table 3
Consumers stock levels fell by 3.5 per cent during 1976 and nearly 12 per cent when compared with 1974. The most significant falls are in the shipbuilding and construction industries, 23 and 12 per cent, respectively, compared with 1975. Mechanical engineering, motors, hollow-ware and other consuming industries show modest increases over 1975. Stocks of steel held by stockholders are estimated to have risen by 17 per cent during 1976 to a record level.

Ratio of stocks to weekly consumption by industry: table 4
There were only minor changes in the ratios during 1976. Industries with the largest ratio were shipbuilding, construction, coalmining and railways at 42, 25, 22 and 16 weeks, respectively. The ratio for all industries is estimated to be 14 weeks.

Stocks by product: table 5
Total stocks by product compared with stock held at end year 1975 indicate that sheet stock rose by 25 per cent, tinplate by 23 per cent, while plate fell by 8 per cent, rods and bars for reinforcement by 4 per cent and other steel products by 2 per cent. For all steel products the increase was insignificant.

TABLE 2 Consumption of finished steel by industry group

Seasonally adjusted — million tonnes

	Coalmining	Railways	Shipbuilding	Construction	Engineering		Motors	Hollow-ware	Wire and wire manufactures	Other consuming industries
					Electrical	Mechanical				
1969	0.45	0.39	0.68	2.81	0.78	3.89	2.38	1.12	1.23	4.05
1970	0.44	0.40	0.68	2.86	0.77	3.83	2.32	1.12	1.25	3.97
1971	0.52	0.37	0.69	3.13	0.74	3.06	2.30	1.23	1.12	3.56
1972	0.47	0.37	0.72	2.99	0.76	3.18	2.21	1.23	1.14	3.68
1973	0.52	0.37	0.65	3.35	0.87	3.73	2.43	1.35	1.23	3.95
1974	0.50	0.48	0.58	3.08	1.07	3.54	2.13	1.33	1.12	3.75
1975	0.52	0.54	0.66	2.53	0.84	3.29	1.65	1.09	0.96	3.37
1976	0.49	0.45	0.56	2.51	0.82	3.33	1.86	1.27	1.03	3.48
1973 1st quarter	0.13	0.09	0.20	0.83	0.21	0.93	0.60	0.32	0.34	1.02
2nd quarter	0.13	0.09	0.14	0.74	0.21	0.89	0.58	0.34	0.30	0.95
3rd quarter	0.13	0.09	0.15	0.86	0.23	0.95	0.63	0.33	0.29	0.94
4th quarter	0.13	0.10	0.16	0.92	0.22	0.96	0.62	0.36	0.30	1.04
1974 1st quarter	0.09	0.11	0.15	0.89	0.25	0.86	0.50	0.33	0.28	0.90
2nd quarter	0.12	0.12	0.13	0.81	0.28	0.93	0.56	0.37	0.27	1.00
3rd quarter	0.15	0.12	0.15	0.66	0.28	0.86	0.56	0.30	0.29	0.88
4th quarter	0.14	0.13	0.15	0.72	0.26	0.89	0.51	0.33	0.28	0.97
1975 1st quarter	0.14	0.15	0.18	0.71	0.22	0.92	0.48	0.30	0.27	0.90
2nd quarter	0.12	0.12	0.18	0.65	0.18	0.79	0.37	0.24	0.22	0.82
3rd quarter	0.12	0.14	0.14	0.59	0.22	0.80	0.36	0.28	0.24	0.83
4th quarter	0.14	0.13	0.16	0.58	0.22	0.78	0.44	0.27	0.23	0.82
1976 1st quarter	0.12	0.12	0.18	0.74	0.22	0.81	0.44	0.30	0.25	0.89
2nd quarter	0.14	0.13	0.14	0.64	0.22	0.80	0.46	0.30	0.24	0.81
3rd quarter	0.12	0.10	0.12	0.61	0.21	0.78	0.48	0.30	0.24	0.82
4th quarter	0.11	0.10	0.12	0.52	0.17	0.93	0.48	0.37	0.30	0.96

TABLE 3 Stocks of finished steel by industry group

Seasonally adjusted — million tonnes

	Coalmining	Railways	Shipbuilding	Construction	Engineering		Motors	Hollow-ware	Wire and wire manufactures	Other consuming industries
					Electrical	Mechanical				
1969	0.11	0.10	0.28	0.88	0.12	0.86	0.43	0.18	0.10	0.71
1970	0.11	0.12	0.29	1.06	0.14	0.93	0.46	0.16	0.14	0.74
1971	0.13	0.11	0.25	0.84	0.10	0.78	0.37	0.14	0.13	0.62
1972	0.09	0.08	0.27	0.83	0.10	0.80	0.38	0.14	0.12	0.63
1973	0.14	0.09	0.34	1.11	0.15	0.92	0.50	0.19	0.14	0.86
1974	0.19	0.14	0.45	1.22	0.17	1.05	0.46	0.20	0.15	0.93
1975	0.22	0.16	0.51	1.14	0.13	0.90	0.39	0.14	0.15	0.79
1976	0.19	0.12	0.39	1.00	0.13	0.92	0.47	0.17	0.13	0.85
1973 1st quarter	0.11	0.09	0.26	0.87	0.11	0.82	0.40	0.15	0.11	0.65
2nd quarter	0.11	0.09	0.27	0.95	0.12	0.84	0.44	0.16	0.13	0.71
3rd quarter	0.12	0.09	0.31	1.05	0.14	0.85	0.46	0.19	0.13	0.78
4th quarter	0.14	0.09	0.34	1.11	0.15	0.92	0.50	0.19	0.14	0.86
1974 1st quarter	0.18	0.12	0.37	1.18	0.21	1.04	0.55	0.22	0.16	0.97
2nd quarter	0.20	0.13	0.42	1.23	0.20	1.07	0.49	0.19	0.17	0.96
3rd quarter	0.20	0.13	0.45	1.22	0.19	1.05	0.47	0.19	0.16	0.94
4th quarter	0.19	0.14	0.45	1.22	0.17	1.05	0.46	0.20	0.15	0.93
1975 1st quarter	0.20	0.13	0.48	1.22	0.16	1.04	0.43	0.20	0.15	0.94
2nd quarter	0.21	0.15	0.51	1.21	0.15	1.00	0.41	0.18	0.13	0.87
3rd quarter	0.22	0.16	0.52	1.20	0.13	0.93	0.41	0.14	0.14	0.82
4th quarter	0.22	0.16	0.51	1.14	0.13	0.90	0.39	0.14	0.15	0.79
1976 1st quarter	0.22	0.17	0.46	1.05	0.13	0.89	0.39	0.14	0.15	0.77
2nd quarter	0.21	0.15	0.42	1.06	0.12	0.86	0.41	0.16	0.16	0.80
3rd quarter	0.20	0.13	0.40	1.01	0.12	0.91	0.45	0.18	0.16	0.83
4th quarter	0.19	0.12	0.39	1.00	0.13	0.92	0.47	0.17	0.13	0.85

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TABLE 4 Ratio of stocks to weekly consumption by industry group

Seasonally adjusted

	Coalmining	Railways	Shipbuilding	Construction	Engineering		Motors	Hollow-ware	Wire and wire manufactures	Other consuming industries
					Electrical	Mechanical				
1969	12	13	21	16	8	11	9	9	4	9
1970	10	16	22	16	9	14	10	6	6	10
1971	23	17	21	15	8	13	9	6	6	9
1972	9	11	18	13	6	11	8	6	5	8
1973	22	11	29	16	8	14	13	8	7	13
1974	17	12	34	22	10	15	12	9	7	14
1975	23	17	37	20	8	14	12	6	8	12
1976	22	16	42	25	10	13	13	6	6	12
1973 1st quarter	11	14	24	15	7	12	9	6	5	9
2nd quarter	11	14	23	14	7	12	9	7	6	10
3rd quarter	12	11	26	15	8	12	10	7	6	10
4th quarter	22	11	29	16	8	14	13	8	7	13
1974 1st quarter	20	12	36	19	10	15	12	8	8	13
2nd quarter	17	14	37	24	9	16	11	8	8	14
3rd quarter	18	13	38	22	10	15	12	8	7	13
4th quarter	17	12	34	22	10	15	12	9	7	14
1975 1st quarter	21	14	35	25	11	17	15	11	9	15
2nd quarter	22	14	48	26	9	16	15	8	7	14
3rd quarter	21	16	42	27	8	16	12	7	8	13
4th quarter	23	17	37	20	8	14	12	6	8	12
1976 1st quarter	20	17	41	21	7	14	11	6	8	12
2nd quarter	23	20	45	22	8	14	11	7	9	13
3rd quarter	22	18	43	26	9	13	12	6	7	11
4th quarter	22	16	42	25	10	13	13	6	6	12

See note Table 1 (b).

TABLE 5 Stocks of finished steel held by consumers and stockholders

Seasonally adjusted

million tonnes

	Sheets	Plates	Tinplate	Rods and bars for reinforcement	Other steel products	Total all products
CONSUMERS						
1972	0.42	0.70	0.14	0.15	2.03	3.44
1973	0.60	0.91	0.16	0.22	2.55	4.44
1974	0.61	1.07	0.17	0.23	2.88	4.96
1975	0.41	1.05	0.12	0.23	2.72	4.53
1976	0.53	0.89	0.15	0.21	2.59	4.37
1975 1st quarter	0.55	1.09	0.19	0.23	2.89	4.95
2nd quarter	0.49	1.10	0.15	0.25	2.83	4.82
3rd quarter	0.43	1.12	0.14	0.22	2.76	4.67
4th quarter	0.41	1.05	0.12	0.23	2.72	4.53
1976 1st quarter	0.41	0.96	0.15	0.23	2.62	4.37
2nd quarter	0.46	0.93	0.16	0.21	2.59	4.35
3rd quarter	0.50	0.89	0.16	0.23	2.62	4.39
4th quarter	0.53	0.89	0.15	0.21	2.59	4.37
STOCKHOLDERS						
1972	0.20	0.12	0.02	0.01	0.37	0.72
1973	0.15	0.11	0.02	0.01	0.29	0.58
1974	0.27	0.18	0.01	0.01	0.40	0.87
1975	0.23	0.24	0.01	0	0.44	0.92
1976	0.28	0.29	0.02	0	0.49	0.08
1975 1st quarter	0.30	0.23	0.01	0	0.47	1.01
2nd quarter	0.27	0.25	0.01	0	0.46	0.99
3rd quarter	0.24	0.24	0.01	0	0.44	0.93
4th quarter	0.23	0.24	0.01	0	0.44	0.92
1976 1st quarter	0.23	0.25	0.01	0	0.41	0.90
2nd quarter	0.23	0.27	0.01	0	0.43	0.94
3rd quarter	0.27	0.30	0.02	0	0.46	1.05
4th quarter	0.28	0.29	0.02	0	0.49	1.08
TOTAL						
1972	0.62	0.82	0.16	0.16	2.40	4.16
1973	0.75	1.02	0.18	0.23	2.84	5.02
1974	0.88	1.25	0.18	0.24	3.28	5.83
1975	0.64	1.29	0.13	0.23	3.16	5.45
1976	0.81	1.18	0.17	0.21	3.08	5.45
1975 1st quarter	0.85	1.32	0.20	0.23	3.36	5.96
2nd quarter	0.76	1.35	0.16	0.25	3.29	5.81
3rd quarter	0.67	1.36	0.15	0.22	3.20	5.60
4th quarter	0.64	1.29	0.13	0.23	3.16	5.45
1976 1st quarter	0.64	1.21	0.16	0.23	3.03	5.27
2nd quarter	0.69	1.20	0.17	0.21	3.02	5.29
3rd quarter	0.77	1.19	0.18	0.23	3.08	5.44
4th quarter p	0.81	1.18	0.17	0.21	3.08	5.45

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